

510607

GUINNESS BREWING WORLDWIDE LIMITED

ANNUAL REPORT AND ACCOUNTS

31 DECEMBER 1990

COMPANIES HOUSE
16 OCT 1991
M 25

GUINNESS BREWING WORLDWIDE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1990

The Directors submit their Report and the audited accounts of the Company for the year ended 31 December 1990.

RESULTS AND TRANSFERS FROM RESERVES

Profit before taxation amounted to £24.8 million (1989 - £12.9 million). After deducting taxation the profit for the financial year amounted to £18.4 million (1989 - £9.5 million) which after dividends of £20.0 million (1989 - £11.2 million) resulted in a transfer from reserves of £1.6 million (1989 - £1.7 million).

DIVIDENDS

The Company paid an interim dividend of £20.0 million (1989 - £11.2 million) during 1990. The Directors do not recommend the payment of a final dividend (1989 - 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 accounts of Guinness PLC, the ultimate holding company.

FUTURE DEVELOPMENTS

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

TANGIBLE FIXED ASSETS

Details of movements on tangible fixed assets are given in note 8 on page 12.

RESEARCH AND DEVELOPMENT

Expenditure on research and development activities amounted to £1.4 million (1989 - £1.0 million).

GUINNESS BREWING WORLDWIDE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1990 (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, circulation of Brewery Council minutes 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 promotions.

BOARD OF DIRECTORS

The names of the Directors of the Company at 31 December 1990 are shown below:

BF Baldock
JDS Davies
JF Hearnden
RW Hermans
MJ Hughes
PW Lipscomb
BA Slowey
J Smale
CA Storm
AJ Walser

Mr RW Hermans was appointed a director on 1 January 1990 and Mr J Smale on 18 December 1990.

DIRECTORS' INTERESTS

No director held any shares in the Company or any other Guinness group company during the year, with the exception of the beneficial interests in the securities of Guinness PLC, set out below.

Mr BF Baldock is a director of Guinness PLC and his interests in the securities of Guinness PLC are set out in that company's Annual Report.

GUINNESS BREWING WORLDWIDE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1990 (CONTINUED)

DIRECTORS' INTERESTS (CONTINUED)

	31 December <u>1990</u>	31 December <u>1989</u>
<u>Stockholding</u> - Ordinary Stock 25p Units		
JDS Davies	1,992	1,681
JF Hearnden	2,131	1,346
RW Hermans	2,780	2,780
MJ Hughes	1,411	1,100
PW Lipscomb	10,895	17,661
BA Slowey	81,848	52,971
J Smale	2,086	1,282
CA Storm	8,523	6,095
AJ Walser	39,679	38,010
<u>Stock Options</u> - Ordinary 25p Shares		
JDS Davies	123,749	106,029
JF Hearnden	69,776	57,763
RW Hermans	112,131	97,059
MJ Hughes	90,325	69,367
PW Lipscomb	83,107	62,079
BA Slowey	25,538	87,396
J Smale	72,961	54,982
CA Storm	59,053	80,529
AJ Walser	118,113	103,510

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


COMPANY NUMBER

The company's registration number is 510607.

AUDITORS

The auditors, Price Waterhouse, have expressed their willingness to continue in office and a resolution for their re-appointment and authorising the Directors to fix their remuneration, will be proposed at the next Annual General Meeting.

By Order of the Board



B Beanland
Secretary

8 July 1991

Price Waterhouse



**AUDITORS' REPORT TO THE MEMBERS OF
GUINNESS BREWING WORLDWIDE LIMITED**

We have audited the accounts on pages 5 to 18 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Chartered Accountants

8 July 1991

GUINNESS BREWING WORLDWIDE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1990

	<u>Notes</u>	<u>1990</u> £'m	<u>1989</u> £'m
TURNOVER	2	329.4	304.6
NET OPERATING CHARGES	3	<u>(316.0)</u>	<u>(292.5)</u>
OPERATING PROFIT		13.4	12.1
Income from shares in group undertakings		11.9	0.8
Interest payable on loans repayable within five years		(1.0)	(0.1)
Interest receivable		<u>0.5</u>	<u>0.1</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		24.8	12.9
Tax on profit on ordinary activities	4	<u>(6.4)</u>	<u>(3.4)</u>
PROFIT FOR THE FINANCIAL YEAR		18.4	9.5
Dividends paid and proposed	7	<u>(20.0)</u>	<u>(11.2)</u>
AMOUNT TRANSFERRED FROM RESERVES	18	<u>(1.6)</u>	<u>(1.7)</u>

Movements on reserves are shown in note 18 to the accounts.

The notes on pages 8 to 18 form part of these accounts.

GUINNESS BREWING WORLDWIDE LIMITED

BALANCE SHEET - 31 DECEMBER 1990

	Notes	1990		1989	
		£'m	£'m	£'m	£'m
FIXED ASSETS					
Tangible assets	8		142.3		137.6
Investments	9		<u>0.3</u>		<u>0.2</u>
			142.6		137.8
CURRENT ASSETS					
Stocks	11	15.2		16.3	
Debtors	12	63.5		62.3	
Cash at bank and in hand		<u>2.6</u>		<u>8.0</u>	
		81.3		86.6	
CREDITORS (amounts falling due within one year)	13		<u>(73.6)</u>		<u>(74.4)</u>
NET CURRENT ASSETS			<u>7.7</u>		<u>12.2</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			150.3		150.0
CREDITORS (amounts falling due after more than one year)	14		<u>(81.3)</u>		<u>(79.5)</u>
			69.0		70.5
			—		—
CAPITAL AND RESERVES					
Called up share capital	17		6.1		6.1
Revaluation reserve	18		62.3		62.7
Profit and loss account	18		<u>0.6</u>		<u>1.7</u>
			69.0		70.5
			—		—


DIRECTOR

APPROVED BY THE BOARD
ON 8 JULY 1991

The notes on pages 8 to 18 form part of these accounts.

GUINNESS BREWING WORLDWIDE LIMITED

**SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 1990**

	<u>1990</u>	<u>1989</u>
	£'m	£'m
FLOW OF FUNDS FROM OPERATIONS		
SOURCES		
Profit on ordinary activities before taxation	24.8	12.9
ADJUSTMENTS FOR ITEMS NOT INVOLVING THE MOVEMENT OF FUNDS:		
Depreciation	12.8	8.6
Loss on disposal of tangible assets	<u>2.7</u>	<u>-</u>
FUNDS GENERATED BY OPERATIONS	40.3	21.5
FUNDS FROM OTHER SOURCES		
Proceeds from disposal of tangible assets	<u>1.7</u>	<u>2.4</u>
	42.0	23.9
APPLICATIONS		
Increase in investments	0.1	-
Additions to tangible fixed assets	21.8	20.4
Taxation paid	7.4	7.9
Dividends paid	<u>20.0</u>	<u>2</u>
	<u>49.3</u>	<u>32.5</u>
	(7.3)	(8.6)
(INCREASE)/DECREASE IN WORKING CAPITAL		
Stocks	1.1	(4.5)
Debtors	(0.5)	(0.8)
Creditors	<u>(7.1)</u>	<u>(0.3)</u>
	<u>(6.5)</u>	<u>(5.6)</u>
DECREASE/(INCREASE) IN NET BORROWINGS		
	(13.8)	(14.2)
REPRESENTED BY CHANGES IN		
Cash at bank and in hand	(5.4)	5.5
Overdrafts and short term loans	(6.6)	2.4
Bank loans (repayable after more than one year)	-	0.5
Amounts owed to holding company (repayable after more than one year)	<u>(1.8)</u>	<u>(22.6)</u>
	<u>(13.8)</u>	<u>(14.2)</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1990

1 ACCOUNTING POLICIES

(1) Basis of accounting

The accounts 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.

(2) Depreciation

Tangible assets (other than land) 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 other equipment leases are charged to the profit and loss account 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.

(7) Foreign currency

Assets and liabilities 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.

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(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 companies. Costs are not determined for each individual company 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.

Turnover and profit predominantly arise within the United Kingdom.

The turnover includes £39.4 million (1989 - £34.6 million) of sales to fellow subsidiaries.

3 NET OPERATING CHARGES

	<u>1990</u> £m	<u>1989</u> £m
Change in stocks of finished goods and work in progress	(0.5)	(1.0)
Raw materials and consumables	131.9	136.6
Other external charges	64.7	57.2
Staff costs (note 5) including		
Directors' emoluments (note 6)	38.3	31.2
Depreciation on owned assets	12.7	8.6
Depreciation on assets subject to finance leases	0.1	0.1
Other operating charges	80.7	73.0
Other operating income	<u>(11.9)</u>	<u>(13.2)</u>
	316.0	292.5
	-----	-----
	<u>1990</u>	<u>1989</u>
Other operating charges include the following:	£'000	£'000
Hire of plant and machinery	458	440
Other operating lease charges	102	84
Auditors' remuneration	<u>46</u>	<u>44</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (CONTINUED)

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1990</u> £'m	<u>1989</u> £'m
United Kingdom corporation tax for current year at 34.25% (1989 - 35%)	6.8	3.1
Prior year adjustments	<u>0.3</u>	<u>0.1</u>
	7.1	3.2
Deferred tax (note 16)	<u>(0.7)</u>	<u>0.2</u>
	6.4	3.4
	—	—

5 STAFF COSTS AND EMPLOYEES

(1) Staff costs

	<u>1990</u> £'m	<u>1989</u> £'m
Wages and salaries	35.7	29.1
Social security costs	<u>2.6</u>	<u>2.1</u>
	38.3	31.2
	—	—

(2) Average number of employees

<u>Number</u>	<u>Number</u>
<u>1,625</u>	<u>1,569</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (CONTINUED)

6	DIRECTORS' EMOLUMENTS	<u>1990</u>	<u>1989</u>
		£'000	£'000
	SALARIES AND PENSION SCHEME CONTRIBUTIONS	<u>894</u>	<u>705</u>
	EMOLUMENTS (EXCLUDING PENSION SCHEME CONTRIBUTIONS) OF:	<u>1990</u>	<u>1989</u>
		£'000	£'000
	Highest paid director	<u>269</u>	<u>212</u>
	Other directors:	<u>1990</u>	<u>1989</u>
		Number	Number
	£135,001 - £140,000	1	-
	£130,001 - £135,000	1	-
	£125,001 - £130,000	1	-
	£115,001 - £120,000	1	-
	£110,001 - £115,000	-	2
	£105,001 - £110,000	1	-
	£ 90,001 - £ 95,000	-	2
	£ 75,001 - £ 80,000	-	1
	£ Nil - £ 5,000	4	3
 7	DIVIDENDS	 <u>1990</u>	 <u>1989</u>
		 £'m	 £'m
	Interim dividend paid	<u>20.0</u>	<u>11.2</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (CONTINUED)

8 TANGIBLE ASSETS

	<u>Land and buildings</u> £'m	<u>Plant and machinery</u> £'m	<u>Casks and road vehicles</u> £'m	<u>Total</u> £'m
(1) Cost or valuation				
At 1 January 1990	69.2	69.5	40.8	179.5
Additions	0.5	13.2	7.0	20.7
Transfers from group companies	-	0.8	0.8	1.6
Revaluation adjustment	0.7	-	-	0.7
Transfers to group companies	-	-	(1.3)	(1.3)
Disposals	<u>-</u>	<u>(2.5)</u>	<u>(3.3)</u>	<u>(5.8)</u>
At 31 December 1990	<u>70.4</u>	<u>81.0</u>	<u>44.0</u>	<u>195.4</u>
Accumulated depreciation				
At 1 January 1990	0.4	30.5	11.0	41.9
Provision for the year	1.1	7.8	3.4	12.3
Depreciation on transfers from group companies	-	0.3	0.2	0.5
Revaluation adjustment	0.6	-	-	0.6
Depreciation on revaluation surplus	0.5	-	-	0.5
Depreciation on transfers to group companies	-	-	(0.2)	(0.2)
Disposals	<u>-</u>	<u>(1.0)</u>	<u>(1.5)</u>	<u>(2.5)</u>
At 31 December 1990	<u>2.6</u>	<u>37.6</u>	<u>12.9</u>	<u>53.1</u>
Net book amount				
At 31 December 1990	<u>67.8</u>	<u>43.4</u>	<u>31.1</u>	<u>142.3</u>
At 31 December 1989	<u>68.8</u>	<u>39.0</u>	<u>29.8</u>	<u>137.6</u>
(2) Land and buildings - the net book amount includes the following:				
			<u>1990</u>	<u>1989</u>
			£'m	£'m
Freehold			66.7	68.0
Long leasehold (over 50 years unexpired)			<u>1.1</u>	<u>0.8</u>
			<u>67.8</u>	<u>68.8</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (CONTINUED)

8 TANGIBLE ASSETS (CONTINUED)

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

	<u>1990</u> £'m	<u>1989</u> £'m
At cost	3.3	1.1
At valuation		
- 1983 or prior	0.3	0.6
- 1989	<u>66.8</u>	<u>67.5</u>
	70.4	69.2
	—	—

The company's land and buildings at Park Royal were revalued as at 31 December 1989 on the basis of an open market value for existing use, performed by Wetherall, Green and Smith, Chartered Surveyors.

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

	<u>1990</u> £'m	<u>1989</u> £'m
Cost	8.3	7.8
Accumulated depreciation	<u>(4.6)</u>	<u>(3.5)</u>
	3.7	4.3
	—	—

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

	<u>1990</u> £'m	<u>1989</u> £'m
Plant and machinery	16.8	4.6
Casks and road vehicles	<u>0.5</u>	<u>0.5</u>
	17.4	5.1
	—	—

(6) Included in the net book amount of tangible assets are the following amounts in respect of assets held under finance leases:

	<u>1990</u> £'m	<u>1989</u> £'m
a Plant and machinery		
Cost	0.4	0.4
Accumulated depreciation	<u>(0.3)</u>	<u>(0.3)</u>
	0.1	0.1
	—	—

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (CONTINUED)

8 TANGIBLE ASSETS (CONTINUED)

	<u>1990</u> £'m	<u>1989</u> £'m
b Casks and road vehicles		
Cost	0.4	0.5
Accumulated depreciation	<u>(0.2)</u>	<u>(0.2)</u>
	0.2	0.3
	—	—

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

Buildings:	
Freehold and long leasehold	2.5%, 2.66%, 3.03%, 5%
Short leasehold	over term of lease
Plant and machinery:	
Brewing and racking plant	5%, 6.67%, 10%, 12.5%, 20%
Containers	5%
Casks and road vehicles:	
Distribution vehicles	12.5%
Motor cars	25% - 50%
Casks	6.67%

9 INVESTMENTS

	<u>1990</u> £'m	<u>1989</u> £'m
Shares in subsidiary undertakings	0.1	0.1
Other investments at cost	<u>0.2</u>	<u>0.1</u>
	0.3	0.2
	—	—

- (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 ACCOUNTS - 31 DECEMBER 1990 (CONTINUED)

10 SUBSIDIARY COMPANIES

The company has the following subsidiary undertakings operating in the United Kingdom:

<u>Brewing</u>	<u>% holdings</u>	<u>Country of registration</u>	<u>Activity</u>
ES Beaven (Maltings) Limited	100	England	Maltster
Guinness Hop Farms Limited	100	England	Hop grower

11 STOCKS

	<u>1990</u> £'m	<u>1989</u> £'m
Raw materials and consumables	5.6	7.2
Work in progress	-	0.6
Finished goods and goods for resale	<u>9.6</u>	<u>8.5</u>
	<u>15.2</u>	<u>16.3</u>

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

12 DEBTORS

	<u>1990</u> £'m	<u>1989</u> £'m
Trade debtors	33.9	35.0
Amounts owed by subsidiary undertakings	1.9	1.2
Amounts owed by fellow subsidiary undertakings	20.9	19.7
Other debtors	4.9	5.0
Prepayments and accrued income	1.0	1.2
Deferred tax (note 16)	<u>0.9</u>	<u>0.2</u>
	<u>63.5</u>	<u>62.3</u>

£0.2 million (1989 - £0.2 million) of other debtors and £2.7 million (1989 - £2.7 million) of the amounts owed by fellow subsidiaries fall due after more than one year.

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (CONTINUED)

13 CREDITORS (amounts falling due within one year)

	<u>1990</u> £'m	<u>1989</u> £'m
Bank loans	0.3	-
Bank overdraft	7.7	1.4
Trade creditors	10.0	12.3
Amounts owed to subsidiary undertakings	1.8	9.0
Amounts owed to fellow subsidiary undertakings	10.3	11.9
Corporation tax	7.3	7.6
Social security and other taxes	8.3	6.9
Other creditors	2.9	1.4
Accruals and deferred income	<u>25.0</u>	<u>23.9</u>
	<u>73.6</u>	<u>74.4</u>

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

	<u>1990</u> £'m	<u>1989</u> £'m
Amounts owed to holding company	<u>81.3</u>	<u>79.5</u>

15 LEASING COMMITMENTS

Operating leases

Payments on non-cancellable operating leases due within one year of 31 December 1990 are as follows:

	<u>Land and buildings</u> £'m	<u>Other</u> £'m
For which commitment expiring:		
Within one year	-	0.2
Between 1 - 2 years	-	0.2
Between 2 - 5 years	-	0.5
After 5 years	<u>0.1</u>	<u>-</u>
	<u>0.1</u>	<u>0.9</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (CONTINUED)

16 DEFERRED TAXATION

	<u>1990</u>	<u>1989</u>
	Full potential liability	Full potential liability
	Amount £'m	Amount £'m
Deferred tax calculated on the liability basis in respect of all timing differences:		
Capital allowances on plant, machinery and industrial buildings	-	10.6
Provisions allowable for tax in future years	(0.9)	(0.7)
	(0.9)	9.9
Tax on chargeable gains on revaluation surpluses	-	10.1
	(0.9)	20.0
	<u> </u>	<u> </u>

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

17 CALLED UP SHARE CAPITAL

	<u>1990</u>	<u>1989</u>
	£'m	£'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>	<u>Profit and loss account</u>
	£'m	£'m
At 1 January 1990	62.7	1.7
Retained profit for the year	-	(1.6)
Revaluation adjustment	0.1	-
Transfers between reserves - depreciation on revaluation surplus	<u>(0.5)</u>	<u>0.5</u>
At 31 December 1990	<u>62.3</u>	<u>0.6</u>

GUINNESS BREWING WORLDWIDE LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1990 (CONTINUED)

19 FUTURE CAPITAL EXPENDITURE

	<u>1990</u> £'m	<u>1989</u> £'m
Contracted but not provided for in the financial statements	1.5	4.0
Authorised but not contracted for	<u>2.7</u>	<u>5.5</u>
	4.2	9.5
	—	—

20 PENSION FUND ARRANGEMENTS AND CONTRIBUTIONS

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 trustees and is maintained independently of the finances of Guinness PLC and its subsidiaries.

A valuation of the scheme was performed in 1989 by the actuary and particulars of the valuation are contained in the accounts of Guinness PLC.

In accordance with the advice of the actuary, there is no charge to the profit and loss for pensions (1989 - £Nil) and no contributions are payable. It is not expected that there will be a requirement to make contributions before the date of the next valuation of the scheme in 1992.

21 ULTIMATE HOLDING COMPANY

The Company is a wholly owned subsidiary of Guinness PLC which is incorporated in Great Britain.