

The Guinness Group Limited

Financial statements 30 June 2007

Registered number 213108



The Guinness Group Limited
Year ended 30 June 2007

Directors' report

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 30 June 2007

Activities

The company received proceeds on the liquidation of a subsidiary company during the year and released a prior year accrual that the directors considered was no longer required

Financial

The results for the year ended 30 June 2007 are shown on page 5

The directors do not recommend the payment of a dividend for the year (2006 - £nil)

The profit for the year transferred to reserves is £1,178,000 (2006 - £nil)

Directors

The directors who held office during the year were as follows

S M Bunn
C D Coase
G P Crickmore
M C Flynn
J Kyne (appointed 28 June 2007)
M J Lester (resigned 31 August 2006)
N Makos (appointed 27 July 2006)
C R R Marsh
S C Moore (appointed 28 June 2007)

C R R Marsh resigned as a director of the company on 30 September 2007

S M Bunn resigned as a director of the company on 4 January 2008

P D Tunnacliffe was appointed a director of the company on 7 January 2008

Directors' emoluments

None of the directors received any remuneration during the year in respect of their services as directors of the company (2006 - £nil)

The Guinness Group Limited
Year ended 30 June 2007

Directors' report (continued)

Auditor

The company has taken advantage of Section 386(1) of the Companies Act 1985, as amended, to dispense with the obligation to appoint an auditor annually. The auditor, KPMG Audit Plc, is willing to continue in office and will be deemed to be reappointed on the expiry of its term in office in respect of the year ended 30 June 2007.

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



J Nicholls
Secretary
8 Henrietta Place
London
W1G 0NB

January 2008

The Guinness Group Limited
Year ended 30 June 2007

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 these 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 UK 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They 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

Independent auditor's report to the members of The Guinness Group Limited

We have audited the financial statements of The Guinness Group Limited for the year ended 30 June 2007 which comprise the Profit and Loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London
24 April 2008

The Guinness Group Limited
Year ended 30 June 2007

Profit and loss account

	<i>Notes</i>	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Other income	3	1,178	-
Profit on ordinary activities before taxation		<u>1,178</u>	<u>-</u>
Taxation on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation		<u>1,178</u>	<u>-</u>

There are no recognised gains and losses other than the result for the year and consequently a statement of total recognised gains and losses has not been presented as part of the financial statements

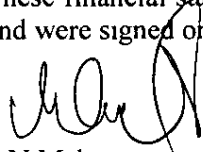
There is no difference between the results for the years shown in the profit and loss account and the results for the relevant years restated on an historical cost basis

The Guinness Group Limited
Year ended 30 June 2007

Balance sheet

	<i>Notes</i>	30 June 2007 £'000	30 June 2006 £'000
Fixed assets			
Investments	5	1,015	8
Current asset			
Debtor - due within one year	6	4	2
Current liabilities			
Creditors – due within one year	7	(31,122)	(31,291)
Total assets less current liabilities		<u>(30,103)</u>	<u>(31,281)</u>
Capital and reserves			
Called up share capital	8	20	20
Reserves			
Profit and loss account	9	(30,123)	(31,301)
Equity shareholder's deficit	10	<u>(30,103)</u>	<u>(31,281)</u>

These financial statements on pages 5 to 11 were approved by the Board of Directors on 14 January 2008 and were signed on its behalf by



N Makos
Director

The Guinness Group Limited
Year ended 30 June 2007

Notes to the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

The accounting policies of the company are consistent with those applied last year

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards

The company is a wholly owned subsidiary of Diageo plc and is included in the consolidated financial statements of Diageo plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (Revised 1996)

The company is exempt under the terms of Financial Reporting Standard No 8 from disclosing related party transactions (but not balances) with entities that are part of the Diageo plc group ("group undertakings") or investees of the Diageo plc group

The company is exempt from the requirement to prepare group accounts under Section 228 of the Companies Act 1985 as its results are included in the consolidated financial statements of Diageo plc

Going concern

The financial statements have been prepared on a going concern basis as a fellow group undertaking has agreed to provide financial support for the foreseeable future. The only liabilities at the balance sheet date relate to amounts due to group undertakings

Fixed asset investments

Income from fixed asset investments is credited to the profit and loss account when it is approved by the paying company. Investments are stated individually at cost less, where appropriate, provision for impairment in value where such impairment is expected by the directors to be permanent

The Guinness Group Limited**Year ended 30 June 2007****Notes to the financial statements (continued)****2. Operating costs**

The company did not employ any staff during either the current or prior year

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2006 - £nil)

The auditor's remuneration of £2,341 (2006 - £2,341) was settled on behalf of the company by a fellow group undertaking. There were no fees payable to the auditor in respect of non-audit services (2006 - £nil)

3. Other income

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Proceeds from dissolution of M S J Light Engineering (International) Limited	171	-
Loss on writing off 'Other investments'	(8)	-
Release of prior year impairment on investment in subsidiary company	1,015	-
	<u>1,178</u>	<u>-</u>

4. Taxation

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Factors affecting current tax charge for the year		
Profit for the year on ordinary activities before taxation	1,178	-
	<u> </u>	<u> </u>
Taxation on profit on ordinary activities at UK corporation tax rate of 30% (2006 - 30%)	(353)	-
Non-taxable items	302	-
Group relief received for nil consideration	51	-
	<u> </u>	<u> </u>
Current ordinary tax charge for the year	-	-
	<u> </u>	<u> </u>

The Guinness Group Limited
Year ended 30 June 2007

Notes to the financial statements (continued)

5. Fixed assets – Investments

	Shares in subsidiary undertakings £'000	Other investments £'000	Total £'000
Cost:			
At 30 June 2006	3,235	15,876	19,111
Additions	669	-	669
Dissolution	(669)	-	(669)
	<hr/>	<hr/>	<hr/>
At 30 June 2007	3,235	15,876	19,111
	<hr/>	<hr/>	<hr/>
Provision:			
At 30 June 2006	(3,235)	(15,868)	(19,103)
Provided during the year	-	(8)	(8)
Release of prior year impairment	1,015	-	1,015
	<hr/>	<hr/>	<hr/>
At 30 June 2007	(2,220)	(15,876)	(18,096)
	<hr/>	<hr/>	<hr/>
Net book value:			
At 30 June 2006	-	8	8
	<hr/>	<hr/>	<hr/>
At 30 June 2007	1,015	-	1,015
	<hr/>	<hr/>	<hr/>

Details of the subsidiary undertakings are as follows

Subsidiary undertakings	Principal activity	Class of shares held
Guinness Brewing Worldwide Limited	Dormant	Ordinary
Guinness Morison International Limited	Dormant	Ordinary & Deferred
Harp Limited	Dormant	Ordinary
Park Royal Development Company Limited	Non-trading	Ordinary
Werneth Mould Engineering Limited	Dormant	Ordinary

All of the subsidiary undertakings are incorporated in the United Kingdom and are wholly owned by the company

The Guinness Group Limited
Year ended 30 June 2007

Notes to the financial statements (continued)

5. Fixed assets – Investments (continued)

In the current year, the directors considered that the recoverable amount of the investment in Park Royal Development Company Limited has increased and therefore the £1,015,000 impairment provision has been reversed

M S J Light Engineering (International) Limited, a former subsidiary undertaking, resolved on 28 June 2007 to be struck off the register, resulting in a gain to the company of £171,000

In the opinion of the directors the investment in the subsidiary undertakings is worth at least the amount at which it is stated in the financial statements

6. Debtors – due within one year

	30 June 2007	30 June 2006
	£'000	£'000
Amounts owed by group undertakings		
Justerini & Brooks, Limited	4	2
	<u> </u>	<u> </u>

7. Creditors – due within one year

	30 June 2007	30 June 2006
	£'000	£'000
Amount owed to parent undertaking (Diageo plc)	28,323	28,323
Amounts owed to other group undertakings		
The Gleneagles Collection Limited	25	25
Guinness Brewing Worldwide Limited	1	1
Kimpheer Limited	1,261	1,261
M S J Light Engineering (International) Limited	-	169
White Child & Beney Limited	1,512	1,512
	<u> </u>	<u> </u>
	31,122	31,291
	<u> </u>	<u> </u>

The Guinness Group Limited
Year ended 30 June 2007

Notes to the financial statements (continued)

8. Called up share capital

	30 June 2007	30 June 2006
	£'000	£'000
Authorised		
31,024 ordinary shares of £1 each	<u>31</u>	<u>31</u>
Allotted, called up and fully paid		
Equity - 20,034 ordinary shares of £1 each	<u>20</u>	<u>20</u>

9. Reserves

	Profit and loss account
	£'000
At 30 June 2006	(31,301)
Profit for the year	1,178
	<hr/>
At 30 June 2007	<u>(30,123)</u>

10. Reconciliation of movement in shareholders' deficit

	30 June 2007	30 June 2006
	£'000	£'000
Profit on ordinary activities after taxation	1,178	-
	<hr/>	<hr/>
Net reduction in shareholders' deficit	1,178	-
Shareholders' deficit at beginning of year	(31,281)	(31,281)
	<hr/>	<hr/>
Shareholders' deficit at end of year	<u>(30,103)</u>	<u>(31,281)</u>

11. Immediate and ultimate parent undertaking

The immediate and ultimate parent undertaking of the company is Diageo plc, a company registered and incorporated in England. The consolidated financial statements of Diageo plc can be obtained from the Registered Office at 8 Henrietta Place, London W1G 0NB.