

Diageo Sub 3 Limited

Financial statements
30 June 2005

Registered company number: 376107



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COMPANIES HOUSE 26/01/2006

**Financial statements
30 June 2005**

Profit and loss account

During the financial year and the preceding financial year, the company did not trade and received no income and incurred no expenditure. Consequently during those years the company made neither a profit nor a loss, and there were no other recognised gains or losses.

Accordingly, neither a profit and loss account, a statement of recognised gains and losses, a note of historical cost profits and losses nor a reconciliation of movements in shareholders' funds has been presented.

The notes on pages 5 to 7 form part of the financial statements.

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Balance Sheet

| | | 30 June 2005 | 30 June 2004 |
|---|---------|----------------|----------------|
| | Notes | £'000 | £'000 |
| Fixed assets | | | |
| Investments | 3 | 45,070 | 45,070 |
| Current asset | | | |
| Debtor – amount owed by group undertaking (Häagen-Dazs U.K. Limited) due within one year | | 10,001 | 10,001 |
| Total assets | | <u>55,071</u> | <u>55,071</u> |
| Capital and reserves | | | |
| Called up share capital | | | |
| - equity | 4 | 44,103 | 44,103 |
| - non equity | 4 | 18,954 | 18,954 |
| | | <u>63,057</u> | <u>63,057</u> |
| Reserves | | | |
| Capital reserve | 27 | 27 | 27 |
| Profit and loss account | (8,013) | (8,013) | (8,013) |
| | 5 | <u>(7,986)</u> | <u>(7,986)</u> |
| Total shareholders' funds | | <u>55,071</u> | <u>55,071</u> |
| Equity shareholders' funds | | 36,117 | 36,117 |
| Non-equity shareholders' funds | | 18,954 | 18,954 |
| Total shareholders' funds | | <u>55,071</u> | <u>55,071</u> |

The notes on pages 5 to 7 form part of the financial statements.

The company did not trade during the financial year or the preceding financial year. The directors do not expect the company to trade in the foreseeable future.

The directors:

- (a) confirm that the company was entitled to exemption under subsection (1) of section 249 AA of the Companies Act 1985 from the requirement to have its accounts audited for the financial year ended 30 June 2005
- (b) confirm that members have not required the company to obtain an audit of its accounts for that financial year in accordance with subsection (2) of section 249B of that Act

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Balance Sheet (continued)

(c) acknowledge their responsibilities for:

- (i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and
- (ii) preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 3 November 2005 and were signed on its behalf by:



G P Crickmore
Director

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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.

Basis of preparation

The financial statements of the company have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. The bases used are consistent with those used in the previous year.

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 published consolidated financial statements of Diageo plc.

Fixed asset investments

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

2. Profit and loss account

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2004 - £nil).

3. Investments

| | 30 June 2005 £'000 | 30 June 2004 £'000 |
|--|-----------------------|-----------------------|
| Shares in subsidiary undertakings | | |
| Cost | | |
| At beginning and end of the year | 63,037 | 63,037 |
| | <hr/> | <hr/> |
| Provision | | |
| At beginning and end of the year | (17,967) | (17,967) |
| | <hr/> | <hr/> |
| Net book value | | |
| At beginning and end of the year | 45,070 | 45,070 |
| | <hr/> | <hr/> |

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Notes to the financial statements (continued)

3. Investments (continued)

The company's principal subsidiary undertakings are as follows:

| Subsidiary undertakings | Principal activity | Class of shares held |
|--------------------------------|---------------------------|--|
| Diageo Sub 4 Limited | Investment company | Ordinary shares of £1 each Redeemable preference shares of £1 each |
| Jus-Rol Limited | Investment company | Ordinary shares of 25p each 8% 'A' and 'B' cumulative preference shares of £1 each 6% non-cumulative redeemable preference shares of £1 each |
| Häagen-Dazs U.K. Limited | Investment company | Ordinary shares of £1 each |

All subsidiary undertakings are incorporated and registered in England and are 100% directly owned by the company. In the opinion of the directors, the investment in and amounts due from the company's subsidiary undertakings are worth at least the amounts at which they are stated in the financial statements.

4. Called up share capital

| | 30 June 2005 | 30 June 2004 |
|--|---------------------|---------------------|
| | £'000 | £'000 |
| Authorised | | |
| 44,770,000 ordinary shares of £1 each | 44,770 | 44,770 |
| 47,000,000 redeemable preference shares of £1 each | 47,000 | 47,000 |
| | <hr/> | <hr/> |
| | 91,770 | 91,770 |
| | <hr/> | <hr/> |
| Allotted, called up and fully paid | | |
| Equity: 44,102,669 ordinary shares of £1 each | 44,103 | 44,103 |
| Non-equity: 18,953,882 redeemable preference shares of £1 each | 18,954 | 18,954 |
| | <hr/> | <hr/> |
| | 63,057 | 63,057 |
| | <hr/> | <hr/> |

The redeemable preference shares are redeemable at the option of the company.

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30 June 2005****Notes to the financial statements (continued)****5. Reserves**

| | Capital reserve | Profit and loss | Total |
|----------------------------------|------------------------|------------------------|--------------|
| | £'000 | account | £'000 |
| At beginning and end of the year | 27 | (8,013) | (7,986) |
| | <hr/> | <hr/> | <hr/> |

6. Immediate and ultimate parent undertaking

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