

2319659

HÄAGEN-DAZS UK LIMITED

[REGISTERED NUMBER: 2319659]

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2000



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HÄAGEN-DAZS UK LTD

DIRECTORS' REPORT

The directors have pleasure in submitting their annual report and the audited financial statements for the twelve months ended 30 June 2000.

Activities & Business Review

The company has not traded during the year and the directors do not anticipate that the company will trade within the foreseeable future.

Euro

The directors do not anticipate that there will be any implications on the activities of the company on the introduction of the Euro. There are no costs associated with the introduction of the Euro. A statement explaining the impact of the introduction of the Euro, and the programme put in place to deal with this along with associated costs, for the Diageo group is disclosed in the annual report of the ultimate parent undertaking, Diageo plc.

Directors

The directors during the period were as follows:

Mr J M Summerlin
Mr R J Gardner

Emoluments

None of the directors received any remuneration during the period in respect of their services as directors of the company (1999: £nil).

Directors' Interests

No directors had any interest beneficial or non-beneficial in the share capital of the company or had a material interest during the period in any significant contract with the company.

The directors who held office at the end of the financial period had the following beneficial interests in the shares of the ultimate parent company, Diageo plc:-

- (i) Ordinary shares and conditional rights to ordinary shares

HÄAGEN-DAZS UK LTD**DIRECTORS' REPORT (Continued)**

Director's Name	Ordinary Shares		Conditional Rights to Ordinary Shares			
	At beginning of year (or date of appointment)	At end of Year	At beginning of year (or date of appointment)	Granted in Year	Vested in Year	At end of Year
John Summerlin	NIL	3,000	13,820	NIL	(4,820)	9,000
Roger Gardner	2,018	2,506	1,800	NIL	NIL	1,800

The directors were granted conditional rights to receive ordinary shares, or exceptionally, a cash sum under certain long term incentive plans (The Grand Metropolitan Restricted Share Plan ('GrandMet RSP'), the Share Incentive Plan and the Total Shareholder Return Plan ('TSR')). The GrandMet RSP vested during the year and the directors received 56% of their conditional rights to ordinary shares. The conditional rights to ordinary shares are subject to share performance criteria of Diageo plc ordinary shares. Full details of the performance criteria are disclosed in the annual report of the ultimate holding company, Diageo plc.

(ii) Options

	Options Over Ordinary Shares			
	At beginning of Year (or date of appointment)	Granted during the Year	Exercised during the Year	At end of Year
John Summerlin	78,129	18,040	NIL	96,169
Roger Gardner	26,180	5,489	(488)	31,181

The directors held the above options under Grand Metropolitan PLC and Diageo plc share option schemes at prices between 314p and 456p per ordinary share exercisable by 2007. The options are granted at market value on the date the option is granted and the option price is payable when the option is exercised.

The mid-market share price of Diageo plc shares fluctuated between 384p and 696.5p per share during the year. The mid-market share price on 30 June 2000 was 593p.

HÄAGEN-DAZS UK LTD

DIRECTORS' REPORT (Continued)

Auditor

A resolution proposing the reappointment of KPMG Audit Plc as auditor for the coming year will be put to shareholders at the annual general meeting.

By order of the Board



Mr R J Gardner
Secretary
Harman House
1 George Street
Uxbridge
Middlesex UB8 1QQ

17th November 2000

HÄAGEN-DAZS UK LTD

Directors' Responsibilities in respect of the preparation of Financial Statements

The following statement, which should be read in conjunction with the report of the auditor, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditor in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss for the financial period.

The directors in preparing the financial statements on pages 7 to 10, consider that the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, that all accounting standards they consider to be applicable have been followed and that it is appropriate to use a going concern basis.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors 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.



17TH NOVEMBER 2000.

HÄAGEN-DAZS UK LTD
REPORT OF THE AUDITOR, KPMG AUDIT PLC
TO THE MEMBERS OF HÄAGEN-DAZS UK LTD

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

Respective responsibilities of directors and auditor

The directors are responsible for preparing the directors' report and, as described on page 5 the financial statements, in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for an audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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 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 of the state of the company's affairs as at 30 June 2000 and of its result for the Year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

20 November 2000

HÄAGEN-DAZS UK LTD

PROFIT AND LOSS ACCOUNT

For the twelve month period ended 30 June 2000

During the financial period the company did not trade and received no income and incurred no expenditure.

Consequently during those periods the company made neither a profit nor a loss, and there were no other recognised gains or losses.

HÄAGEN-DAZS UK LTD**BALANCE SHEET**As at 30 June 2000

	<u>Notes</u>	<u>30 June 2000</u> <u>£'000</u>	<u>30 June 1999</u> <u>£'000</u>
Current Liabilities			
Creditors: Amounts falling due within one year	3	(13,411)	(13,411)
Net current liabilities		<u>(13,411)</u>	<u>(13,411)</u>
Capital and Reserves			
Called up share capital	4	5,333	5,333
Profit and Loss Account	5	(18,744)	(18,744)
Total Shareholders' deficit		<u>(13,411)</u>	<u>(13,411)</u>

Approved by the Board of Directors on 17TH November 2000 and signed on its behalf by:



J M Summerlin

HÄAGEN-DAZS UK LTD

NOTES (forming part of the financial statements)

1. Accounting Policies

Basis of Preparation

The financial statements of the company are prepared under the historical cost convention and comply with applicable UK accounting standards.

The accounts have been prepared on a going concern basis and Pillsbury (UK) Ltd, a fellow subsidiary, has agreed to provide financial support for the foreseeable future. The only liability of the company at the balance sheet date relates to amounts due to the immediate holding company, ultimate parent company and a fellow subsidiary.

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 also 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 or investees of the Diageo plc group.

2. Directors' Emoluments

No director has been paid any remuneration during the period, or the previous period, for their services as a director of Häagen-Dazs UK Limited. The directors were remunerated for their services as directors of Pillsbury UK Limited and the emoluments are disclosed in the financial statements of that undertaking.

3. Creditors: Amounts falling due within one year

	<u>2000</u>	<u>1999</u>
	£'000	£'000
Amounts owed to parent and fellow subsidiary undertakings	<u>13,411</u>	<u>13,411</u>

HÄAGEN-DAZS UK LTD**NOTES** (continued)**4. Called up share capital**

	<u>2000</u>		<u>1999</u>	
	No.	£'000	No.	£'000
Authorised:				
Ordinary shares of £1 each	<u>7,000,000</u>	<u>7,000</u>	<u>7,000,000</u>	<u>7,000</u>
Allotted, called-up and fully paid:				
Ordinary shares of £1 each	<u>5,332,671</u>	<u>5,333</u>	<u>5,332,671</u>	<u>5,333</u>

5. Reserves

	Profit and Loss Account £'000
At beginning and end of period	<u>(18,744)</u>

6. Immediate and Ultimate Holding Company

The immediate holding company is Burgerking Holdings Limited a company incorporated and registered in England.

The ultimate parent undertaking of the company as at 30 June 2000 was Diageo plc. Diageo plc is a company incorporated and registered in England and its accounting period end is 30 June. The consolidated accounts for Diageo plc for the twelve months ended 30 June 2000, can be obtained from the Registered Office at 8 Henrietta Place, London W1M 9AG.