

Sophia Gardens Properties Limited

**Directors' report and financial
statements**

Registered number 02460363

30 June 2000



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Directors' Report

The directors have pleasure in submitting their annual report, together with the financial statements for the year ended 30 June 2000.

Activities

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 Company is a non-trading subsidiary of Stadis Brewery.

Euro

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

Proposed dividend

The directors do not recommend the payment of a dividend for the year ended 30 June 2000 (1999:£Nil).

Directors

The directors who served during the year were as follows:

S H Wingfield-Digby
B Beanland (resigned 31 May 2000)
D F Hoy (appointed 31 May 2000)

Directors' Report (continued)

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

Directors' interests

No director had any interest, beneficial or non-beneficial, in the share capital of the company or had a material interest during the year in any significant contract with the company or any subsidiary.

The directors who held office at the end of the financial year had the following beneficial interests in the ordinary shares of 28 ¹⁰¹/₁₀₈ p each in the ultimate parent company, Diageo plc:

(i) Ordinary shares and conditional rights to ordinary shares

	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	Lapsed In year	At end Of year
S H Wingfield-Digby	28,441	27,832	5,232	0	0	0	5,232
D F Hoy	10,162	13,064	4,736	0	0	0	4,736

The directors were granted conditional rights to receive ordinary shares or, exceptionally, a cash sum under certain long term incentive plans the Share Incentive Plan and the Total Shareholder Return Plan.

Full details of the performance criteria are disclosed in the annual report of the ultimate holding company, Diageo plc.

(ii) Options

	At beginning of year (or date of appointment)	Granted during The Year	Exercised During the year	At end of year	Option Price (pence)	Market Price (pence)
S H Wingfield-Digby	44,671	5,403	961 1,101	48,012	359 354	543.50 505.00
D F Hoy	10,608	0	0	10,608		

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

At 30 June 2000, the directors had an interest in 22,068,050 shares and 2,296,087 shares subject to call options held by trusts to satisfy grants made under Diageo incentive plans and savings related share option schemes.

Auditors

As the Company is a dormant company with effect from 31 December 1996, within the meaning of Section 250 of the Companies Act 1985 and meets the other requirements of that section, no auditor is appointed.

By order of the board



SME O'Donovan
Secretary

8 Henrietta Place, London W1G 0NB
29 March 2001

**DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE PREPARATION OF 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 at the end of the financial year and of the profit or loss of the company for the financial year.

The directors, in preparing the financial statements consider that, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that accounting standards they consider to be applicable have been followed, and that it is appropriate to prepare the financial statements on the 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.

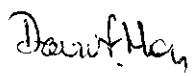
The directors have general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Balance sheet
at 30 June 2000

	<i>Note</i>	2000 £000	1999 £000
Current assets			
Debtors	3	322	322
Creditors: amounts falling due within one year	4	(536)	(536)
Net liabilities		<u>(214)</u>	<u>(214)</u>
Capital and reserves			
Called up share capital	5	220	220
Profit and loss account	6	(434)	(434)
Shareholders' funds	6	<u>(214)</u>	<u>(214)</u>

The Company was dormant throughout the period.

These financial statements were approved by the Board of Directors on 29 March 2001 and were signed on its behalf by:



Director

Notes

(forming part of 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 have been prepared in accordance with applicable accounting standards and under historical cost convention.

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 the balances) with entities that are part of the Diageo plc group or investees of the Diageo plc group.

2 Profit and loss account

During the financial year and the preceding financial period, the Company did not trade and received no income and incurred no expenditure. Consequently during these years the company made neither a profit or a loss.

The number of the directors in the period, all of whom received no emoluments in respect of their directorships, of this company were two (1999: two).

3 Debtors

	2000 £000	1999 £000
Amounts owed by group undertakings	322	322
	<u>322</u>	<u>322</u>

4 Creditors: amounts falling due within one year

	2000 £000	1999 £000
Amounts due to parent undertaking	531	531
Accruals	5	5
	<u>536</u>	<u>536</u>

Notes (continued)

5 Called up share capital

	2000 £000	1999 £000
<i>Authorised</i>		
Equity: Ordinary shares of £ 1 each	910	910
10% redeemable cumulative preference shares of £1 each	90	90
	<hr/> 1,000	<hr/> 1,000
<i>Allotted, called up and fully paid</i>		
Equity: Ordinary shares of £ 1 each	130	130
10% redeemable cumulative preference shares of £1 each	90	90
	<hr/> 220	<hr/> 220

6 Reserves

	Share capital £000	Profit and loss account £000	Total £000
At 30 June 2000 and 1 July 1999	220	(434)	(214)

7 Parent Undertaking

The Company is a subsidiary undertaking of Stadis Brewery. The ultimate parent undertaking is Diageo plc which is the parent undertaking of both the smallest and largest group for which group accounts incorporating those of the Company are prepared. Copies of the 2000 Annual Report and Accounts of Diageo plc can be obtained from Diageo plc, 8 Henrietta Place, London, W1G 0NB.