

**Anyslam Limited**  
**Financial statements**  
**30 June 2006**

Registered number 3454958

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# **Anyslam Limited**

**Year ended 30 June 2006**

## **Directors' report**

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 30 June 2006

### **Activities**

The principal activity of the company is acting as an investment holding company. The directors foresee no changes in the company's activities.

### **Financial**

The results for the year ended 30 June 2006 are shown on page 6.

The directors do not recommend the payment of a dividend (2005 - £nil).

The profit for the year transferred to reserves is £117,969,000 (2005 - £47,497,000).

### **Directors**

The directors who held office during the year were as follows:

S M Bunn  
C D Coase  
M J Lester

M J Lester resigned as a director on 31 August 2006.

M C Flynn and C R R Marsh were appointed directors of the company on 3 October 2006.

### **Directors' emoluments**

None of the directors received any remuneration during the year in respect of their services as directors of the company (2005 - £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 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 <sup>101</sup>/<sub>108</sub> p each in the ultimate parent company, Diageo plc:

# **Anyslam Limited**

**Year ended 30 June 2006**

## **Directors' report (continued)**

### **Directors' interests (continued)**

#### **(i) Ordinary shares and conditional rights to ordinary shares**

	<b>Ordinary shares</b>		<b>Conditional rights to ordinary shares</b>				
	At beginning of year	At end of year	At beginning of year	Granted in year	Vested in year	Lapsed in year	At end of year
S M Bunn	128	132	-	-	-	-	-
C D Coase	14,207	15,000	-	23,380	-	-	23,380
M J Lester	26,306	28,852	30,790	8,361	(3,521)	-	35,630

Certain directors are granted conditional rights to receive ordinary shares or, exceptionally, a cash sum under certain long term incentive plans. Any conditional rights are shown in the table as ordinary share equivalents. The conditional rights to ordinary shares are subject to share performance criteria of Diageo plc ordinary shares. The numbers disclosed in the above table represent the maximum number of conditional rights. Full details of the performance criteria are disclosed in the annual report of the ultimate holding company, Diageo plc.

#### **(ii) Options**

	<b>Options over ordinary shares</b>				
	At beginning of year	Granted in year	Exercised in year	Lapsed in year	At end of year
S M Bunn	52,437	12,420	(19,033)	-	45,824
C D Coase	141,269	16,366	(18,550)	-	139,085
M J Lester	113,567	17,693	(55,550)	-	75,710

The directors held the above options under Diageo plc share option schemes at prices between 518p and 815p per ordinary share exercisable between 2006 and 2015. Certain options granted in the Republic of Ireland were granted at a price of €7.37 per ordinary share. 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 778p and 928p during the year. The mid-market share price on 30 June 2006 was 917p.

At 30 June 2006 all the directors had an interest in 17,791,320 shares and 8,045,000 shares subject to call options held by trusts to satisfy grants made under Diageo incentive plans and savings related share option schemes. M J Lester had a further interest in 6,460,442 shares held by a trust to satisfy grants made under Diageo incentive plans and savings related share option schemes.

# **Anyslam Limited**

**Year ended 30 June 2006**

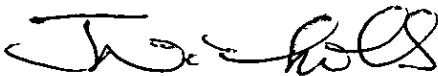
## **Directors' report (continued)**

### **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 2006.

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  
19 December 2006

**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 judgments 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 Anyslam Limited**

We have audited the financial statements of Anyslam Limited for the year ended 30 June 2006 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 4. 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 2006 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  
19 December 2006

# **Anyslam Limited**

**Year ended 30 June 2006**

## **Profit and loss account**

	<i>Notes</i>	<b>Year ended 30 June 2006 £000</b>	<b>Year ended 30 June 2005 £000</b>
Foreign exchange gain/(loss)		226	(70)
Net interest receivable	4	117,743	47,567
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		117,969	47,497
Taxation on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		117,969	47,497
		<hr/>	<hr/>
<b>Amounts transferred to reserves</b>		117,969	47,497
		<hr/>	<hr/>

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 stated on an historical cost basis

All results arise from continuing operations

# **Anyslam Limited**

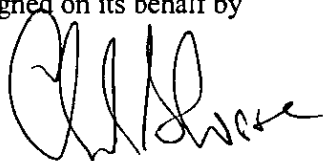
**Year ended 30 June 2006**

## **Balance sheet**

	<i>Notes</i>	<b>30 June 2006</b>		<b>30 June 2005</b>	
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Investments	6		276,638		279,664
<b>Current assets</b>					
Debtors due within one year	7	8,964,356		5,898,556	
Cash at bank and in hand	8	32		-	
		<u>8,964,388</u>		<u>5,898,556</u>	
<b>Creditors due within one year</b>	9	(8,313,372)		(5,368,717)	
<b>Net current assets</b>			651,016		529,839
<b>Debtors: due after one year</b>	7		5,405		5,587
<b>Total assets less current liabilities</b>			<u>933,059</u>		<u>815,090</u>
<b>Net assets</b>			<u>933,059</u>		<u>815,090</u>
<b>Capital and reserves</b>					
Called up share capital	10		-		-
Share premium account	11	712,104		712,104	
Profit and loss account	11	<u>220,955</u>		<u>102,986</u>	
Reserves attributable to equity shareholders			<u>933,059</u>		<u>815,090</u>
<b>Equity shareholders' funds</b>	12		<u>933,059</u>		<u>815,090</u>

These financial statements on pages 6 to 14 were approved by the board of directors on 19 December 2006 and were signed on its behalf by

C D Coase  
Director



## **Anyslam Limited**

**Year ended 30 June 2006**

### **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 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 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 such impairment is expected by the directors to be permanent

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged forward, at the rate of exchange under the related foreign currency contract. Assets and liabilities in foreign currencies are translated into sterling at the financial year end exchange rates or, if hedged forward, at the rate of exchange under the related foreign currency contract

All exchange gains and losses are taken to the profit and loss account

# **Anyslam Limited**

**Year ended 30 June 2006**

## **Notes to the financial statements**

### **1. New accounting policies**

The accounting policies of the company are consistent with those applied last year, apart from where the company has adopted the following accounting standards in the year

**FRS 21 – Events after the balance sheet date** This standard specifies the accounting treatment to be adopted and the disclosures to be provided by entities for events occurring after the balance sheet date. The adoption of the standard has not resulted in the restatement of information reported in respect of the year ended 30 June 2005, nor has it impacted the results in respect of the year ended 30 June 2006

**FRS 25 – Financial instruments: disclosure and presentation** and **FRS 29 – Financial instruments: disclosures** FRS 25 is effective from the accounting periods beginning on or after 1 January 2005. The company has adopted early FRS 29, which replaces the disclosure requirements of FRS 25. As Diageo plc has disclosed the consolidated financial information under the equivalent IFRS standard (IFRS 7), the company is, therefore, exempt from the disclosure requirements of this standard.

**FRS 28 – Corresponding amounts** FRS 28 sets out the requirements for the disclosure of corresponding amounts for items disclosed in a company's primary financial statements and the notes to the financial statements.

# **Anyslam Limited**

**Year ended 30 June 2006**

## **Notes to the financial statements (continued)**

### **2. Operating costs**

The auditor's remuneration was paid on behalf of the company by a fellow group undertaking. There were no fees payable to the auditor in respect of non-audit services (2005 - £nil)

### **3. Directors and employees**

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 (2005 - £nil)

Details of the directors' share interests and any share options exercised during the year are included within the directors' report on pages 1 and 3.

### **4. Net interest receivable**

	<b>Year ended 30 June 2006 £000</b>	<b>Year ended 30 June 2005 £000</b>
Interest receivable on loans to fellow group undertakings	123,763	51,790
Less		
Interest payable on loans from fellow group undertakings	(5,968)	(4,216)
Other interest payable	(52)	(7)
	<hr/>	<hr/>
	117,743	47,567
	<hr/>	<hr/>

# **Anyslam Limited**

**Year ended 30 June 2006**

## **Notes to the financial statements (continued)**

### **5. Taxation**

	<b>Year ended 30 June 2006 £000</b>	<b>Year ended 30 June 2005 £000</b>
Profit on ordinary activities before taxation	117,969	47,497
Taxation on profit on ordinary activities at UK corporation tax rate of 30% (2005 - 30%)	(35,391)	(14,249)
Group relief received for nil consideration	35,391	14,249
Current ordinary tax charge for the year	-	-

### **6. Fixed assets - investments**

	<b>2006 £000</b>	<b>2005 £000</b>
<b>Cost and net book value:</b>		
Balance brought forward	279,664	278,126
Exchange adjustments	(3,026)	1,538
Balance carried forward	276,638	279,664

The subsidiary undertakings and the percentage of equity owned are as follows

	<b>Class and percentage of shares held</b>
<b>Direct holdings:</b>	
Anyslam Holdings Limited	100% Ordinary
Diageo Funding Company No 3 Limited	100% Ordinary

All subsidiary undertakings are incorporated in the United Kingdom. The principal activity of each of the above subsidiary undertakings is to act as an investment company.

The investments in subsidiary undertakings are held at cost less, where appropriate, provision for impairment in value. In the opinion of the directors, the investment in and amounts due from the company's subsidiary undertakings are worth at least the amount at which they are stated in the financial statements.

# **Anyslam Limited**

**Year ended 30 June 2006**

## **Notes to the financial statements (continued)**

### **7. Debtors**

	<b>30 June 2006</b>		<b>30 June 2005</b>	
	<b>Due within one year £000</b>	<b>Due after one year £000</b>	<b>Due within one year £000</b>	<b>Due after one year £000</b>
Amounts owed by fellow group undertakings	8,964,356	5,405	5,898,556	5,587

Amounts owed by fellow group undertakings represent transactions with companies in the Diageo group with which the company has a long term financing relationship. These financing relationships are expected to continue for the foreseeable future. For the purposes of financial statement classification, amounts owed by group undertakings that do not have a specified repayment date are regarded as short term and consequently are considered to have a fair value which is not materially different to the book value.

These amounts owed include £5,405,000 which bears interest at 6.86%, £3,364,356,000 which bears interest at floating rates and £5,600,000,000 which is non-interest bearing.

### **8. Cash**

	<b>30 June 2006 £000</b>	<b>30 June 2005 £000</b>
Cash	32	-

The company has entered into a joint and several guarantee with certain other Diageo plc UK group undertakings such that any balance on the company's bank accounts within the cash pool may be offset against the bank balances or overdrafts of those companies included in the cash pool.

### **9. Creditors: due within one year**

	<b>30 June 2006 £000</b>	<b>30 June 2005 £000</b>
Overdrafts	-	963
Amounts owed to fellow group undertakings	8,313,372	5,367,754
	<u>8,313,372</u>	<u>5,368,717</u>

# Anyslam Limited

Year ended 30 June 2006

## Notes to the financial statements (continued)

### 9. Creditors: due within one year (continued)

Amounts owed to fellow group undertakings represent transactions with companies in the Diageo group with which the company has a long term financing relationship. These financing relationships are expected to continue for the foreseeable future. For the purposes of financial statement classification, amounts owed to group undertakings that do not have a specified repayment date are regarded as short term and consequently are considered to have a fair value which is not materially different to the book value.

These amounts owed include £116,944,000 which bears interest at floating rates and £8,196,428,000 which is non-interest bearing.

### 10. Share capital

	30 June 2006 £	30 June 2005 £
<i>Authorised</i>		
Equity - 1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
Equity - 112 ordinary shares of £1 each	112	112
	<hr/>	<hr/>

### 11. Reserves

	Share premium £000	Profit and loss account £000	Total £000
At 30 June 2005	712,104	102,986	815,090
Retained profit for year	-	117,969	117,969
	<hr/>	<hr/>	<hr/>
At 30 June 2006	712,104	220,955	933,059
	<hr/>	<hr/>	<hr/>

### 12. Reconciliation of movement in shareholders' funds

	30 June 2006 £000	30 June 2005 £000
Profit on ordinary activities after taxation	117,969	47,497
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Net addition to shareholders' funds	117,969	47,497
Shareholders' funds at beginning of year	815,090	767,593
	<hr/>	<hr/>
Shareholders' funds at end of year	933,059	815,090
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**Anyslam Limited**

**Year ended 30 June 2006**

**Notes to the financial statements (continued)**

**13. Immediate and ultimate parent undertaking**

The immediate and 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.