

Treat (UK) Venture Limited

Financial statements 30 June 2007

Registered number 4271628

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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

In 2001 the company intended to acquire an interest in Chatelle Pty Ltd, an Australian company, from Vivendi Universal S A. However, legal ownership of the shares was never transferred to the company due to a dispute with the other shareholder of Chatelle Pty Ltd. Once this dispute is resolved and once all the necessary formalities to transfer legal ownership to the company have been completed, the company intends to dispose of the interest in Chatelle Pty Ltd.

During the year ended 30 June 2007 the only activity of the company was the receipt of interest due on its receivables from its shareholders.

Future activities

Once all liabilities have been settled and all receivables have been recovered the company will be liquidated and the proceeds will be distributed to the shareholders accordingly.

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 (2006 – £nil). The profit for the year transferred to reserves is £387,000 (2006 – £357,000).

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 3 August 2006)
C R R Marsh	(appointed 3 October 2006)
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' report (continued)

Directors' emoluments

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

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 re-appointed 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

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 Treat (UK) Venture Limited

We have audited the financial statements of Treat (UK) Venture 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

21 April 2008

Profit and loss account

	<i>Notes</i>	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Interest receivable	3	555	513
Other interest	4	<u>(2)</u>	<u>(2)</u>
Profit on ordinary activities before taxation		553	511
Taxation on profit on ordinary activities	5	<u>(166)</u>	<u>(154)</u>
Profit on ordinary activities after taxation transferred to reserves	9	<u>387</u>	<u>357</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

All results arise from continuing activities

Balance sheet

	<i>Notes</i>	30 June 2007		30 June 2006	
		£'000	£'000	£'000	£'000
Current assets					
Debtors due within one year	6	11,452		10,897	
Creditors due within one year	7	<u>(849)</u>		<u>(681)</u>	
Net current assets			<u>10,603</u>		<u>10,216</u>
Net assets			<u>10,603</u>		<u>10,216</u>
Capital and reserves					
Called up share capital	8		-		-
Reserves					
Share premium account		24,288		24,288	
Profit and loss account		<u>(13,685)</u>		<u>(14,072)</u>	
	9		<u>10,603</u>		<u>10,216</u>
Equity shareholders' funds			<u>10,603</u>		<u>10,216</u>

The financial statements on pages 5 to 9 were approved by the board of directors on 14 January 2008 and were signed on its behalf by



N Makos
Director

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

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size

2. Operating profit

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. Interest receivable

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Interest receivable from shareholders		
Diageo Great Britain Limited	338	312
Pernod Ricard S A	<u>217</u>	<u>201</u>
	<u>555</u>	<u>513</u>

4. Interest payable

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Interest payable to		
Other creditors	<u>(2)</u>	<u>(2)</u>

Notes to the financial statements (continued)

5. Taxation

	Year ended 30 June 2007 £'000	Year ended 30 June 2006 £'000
Factors affecting the current tax charge for the year:		
Profit on ordinary activities before taxation	<u>553</u>	<u>511</u>
Taxation on profit on ordinary activities at UK corporation tax at 30% (2006 – 30%)	(166)	(153)
Adjustments in respect of prior years	<u>-</u>	<u>(1)</u>
Current tax charge for the year	<u>(166)</u>	<u>(154)</u>

6. Debtors – due within one year

	30 June 2007 £'000	30 June 2006 £'000
Amounts due from fellow subsidiary undertakings of shareholders		
Diageo Great Britain Limited	7,046	6,708
Pernod Ricard S A	<u>4,406</u>	<u>4,189</u>
	<u>11,452</u>	<u>10,897</u>

Interest is charged on principal balances of £5,420,000 and £3,480,000 due from Diageo Great Britain Limited and Pernod Ricard S A , respectively, at a rate of LIBOR 1 year rate plus 1%

7. Creditors – due within one year

	30 June 2007 £'000	30 June 2006 £'000
Amount owed to Diageo Finance plc	718	519
Amount owed to Diageo plc	47	47
Corporation tax	82	113
Other creditors	<u>2</u>	<u>2</u>
	<u>849</u>	<u>681</u>

8. Called up share capital

	30 June 2007 £	30 June 2006 £
Authorised, allotted, called up and fully paid		
Equity -		
150 'A' ordinary shares of £1 each	150	150
50 'B' ordinary shares of £1 each	<u>50</u>	<u>50</u>
	<u>200</u>	<u>200</u>

Notes to the financial statements (continued)

8. Called up share capital (continued)

Each 'A' share carries a right to receive 60.9 per cent of any dividend declared, distribution or return of capital on liquidation divided by the total number of 'A' shares in issue. Each 'B' share carries a right to receive 39.1 per cent of such dividend declared, distribution or return of capital on liquidation divided by the total number of 'B' shares in issue.

9. Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
At 30 June 2006	24,288	(14,072)	10,216
Profit for the year	-	387	387
At 30 June 2007	<u>24,288</u>	<u>(13,685)</u>	<u>10,603</u>

10. Reconciliation of movement in equity shareholders' funds

	30 June 2007 £'000	30 June 2006 £'000
Profit for the year	<u>387</u>	<u>357</u>
Net addition to shareholders' funds	<u>387</u>	<u>357</u>
Shareholders' funds at beginning of the year	<u>10,216</u>	<u>9,859</u>
Shareholders' funds at end of the year	<u>10,603</u>	<u>10,216</u>

11. Related party transactions

Interest of £338,000 (2006 - £312,000) was charged to Diageo Great Britain Limited and £217,000 (2006 - £201,000) to Pernod Ricard S.A. during the year. The company owes an amount of £718,000 (2006 - £519,000) to Diageo Finance plc - £711,000 (2006 - £514,000) in respect of corporation tax payments and £7,000 (2006 - £5,000) payment to Pernod Ricard S.A. in respect of prior period disposal costs.

12. Shareholders

The company is owned by Diageo Great Britain Limited and Pernod Ricard S.A. in the proportions 60.9% and 39.1%, respectively. Pernod Ricard S.A. is registered and incorporated in France and its accounting period end is 30 June. Diageo Great Britain Limited is registered and incorporated in England and its accounting period end is 30 June. The ultimate parent undertaking of Diageo Great Britain Limited 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.