

Carillon U.K. Limited

**Financial statements
30 June 2008**

Registered number SC36037

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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 2008.

Activities

The company did not trade during the year but paid interest on its inter-company liabilities and received interest on its inter-company receivables. The directors foresee no changes in the company's activities.

Financial

The results for the year ended 30 June 2008 are shown on page 5. The directors do not recommend the payment of a dividend (2007 - £nil). The profit for the year transferred to reserves is £704,867 (2007 – £571,620).

Directors

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

| | |
|-----------------|------------------------------|
| S M Bunn | (resigned 4 January 2008) |
| C D Coase | |
| G P Crickmore | |
| M C Flynn | (resigned 15 June 2008) |
| J Kyne | |
| N Makos | |
| C R R Marsh | (resigned 30 September 2007) |
| S C Moore | |
| P D Tunnacliffe | (appointed 7 January 2008) |

A A Abigail was appointed a director of the company on 7 August 2008.

Directors' emoluments

None of the directors received any remuneration during the year in respect of their services as directors of the company (2007 - £nil).

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 2008.

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
Edinburgh Park, 5 Lochside Way
Edinburgh EH12 9DT

March 2009

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 Carillon U.K. Limited

We have audited the financial statements of Carillon U.K Limited for the year ended 30 June 2008, 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 2008 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 Me
KPMG Audit Plc
 Chartered Accountants
 Registered Auditor
 London

Profit and loss account

| | <i>Notes</i> | Year ended 30 June 2008 £ | Year ended 30 June 2007 £ |
|--|--------------|--|--|
| Net interest receivable | 2 | 704,867 | 571,620 |
| Profit on ordinary activities before taxation | | <u>704,867</u> | <u>571,620</u> |
| Taxation on profit on ordinary activities | 3 | - | - |
| Profit for the financial year | 6 | <u>704,867</u> | <u>571,620</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.

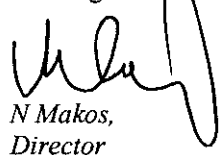
There is no difference between the results for the years shown in the profit and loss account and the results for the relevant years restated on an historical cost basis.

All results arise from continuing operations.

Balance sheet

| | <i>Notes</i> | 30 June 2008 £ | 30 June 2007 £ |
|---|--------------|--------------------------|--------------------------|
| Current assets | | | |
| Debtors - due within one year | 4 | 13,951,154 | 13,182,060 |
| Creditors: due within one year - | | | |
| Amounts owed to Diageo North America Inc. | | (993,009) | (928,782) |
| Net assets | | <u>12,958,145</u> | <u>12,253,278</u> |
| Capital and reserves | | | |
| Called up share capital | 5 | 100 | 100 |
| Profit and loss account | 6 | <u>12,958,045</u> | <u>12,253,178</u> |
| Shareholders' funds | 7 | <u>12,958,145</u> | <u>12,253,278</u> |

These financial statements on pages 5 to 10 were approved by the board of directors on **24** March 2009 and were signed on its behalf by:


N Makos,
Director

Accounting policies

The following accounting policies have been applied consistently in dealing with items that 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.

Notes to the financial statements

1. Operating costs

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 (2007 - £nil).

The auditor's remuneration of £2,917 (2007 - £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 (2007 - £nil).

2. Net interest receivable

| | Year ended 30 June 2008 £ | Year ended 30 June 2007 £ |
|--|---------------------------------|---------------------------------|
| Interest receivable on loan to Diageo Finance plc | 769,094 | 624,260 |
| Less: | | |
| Interest payable on loan from Diageo North America Inc | (64,227) | (52,640) |
| | <u>704,867</u> | <u>571,620</u> |

3. Taxation

The tax charge for the year was £nil (2007 - £nil).

| | Year ended 30 June 2008 £ | Year ended 30 June 2007 £ |
|--|---------------------------------|---------------------------------|
| Factors affecting current tax charge for the year | | |
| Profit on ordinary activities before taxation | 704,867 | 571,620 |
| Taxation on profit on ordinary activities at UK corporation tax rate of 29.5% (2007 - 30%) | (207,936) | (171,486) |
| Group relief received for nil consideration | 207,936 | 171,486 |
| Current ordinary tax charge for the year | <u>-</u> | <u>-</u> |

Notes to the financial statements (continued)

4. Debtors

| | 30 June 2008 £ | 30 June 2007 £ |
|-------------------------------------|-------------------|-------------------|
| Amounts owed by group undertakings: | | |
| Diageo Finance plc | 13,951,154 | 12,886,060 |
| Buckhurst & Co | - | 296,000 |
| | <hr/> | <hr/> |
| | 13,951,154 | 13,182,060 |
| | <hr/> | <hr/> |

All amounts fall due within one year.

5. Share capital

| | 30 June 2008 £ | 30 June 2007 £ |
|--|-------------------|-------------------|
| <i>Authorised, allotted, called up and fully paid:</i> | | |
| 100 ordinary shares of £1 each | 100 | 100 |
| | <hr/> | <hr/> |

6. Reserves

| | Profit and loss account £ |
|--|---------------------------------|
| At 30 June 2007 | 12,253,178 |
| Retained profit for the financial year | 704,867 |
| | <hr/> |
| At 30 June 2008 | 12,958,045 |
| | <hr/> |

Notes to the financial statements (continued)

7. Reconciliation of movement in shareholders' funds

| | 30 June 2008 £ | 30 June 2007 £ |
|--|-------------------|-------------------|
| Profit for the financial year | 704,867 | 571,620 |
| Net addition to shareholders' funds | 704,867 | 571,620 |
| Shareholders' funds at beginning of year | 12,253,278 | 11,681,658 |
| Shareholders' funds at end of year | 12,958,145 | 12,253,278 |

8. Immediate and ultimate parent undertaking

The immediate parent undertaking of the company is Carillon Importers, Limited, a company incorporated and registered in the USA.

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.