

# Tanqueray Gordon & Company Limited

## Financial statements 30 June 2004

Registered number 55603



**Tanqueray Gordon & Company Limited**  
**Year ended 30 June 2004**

**Directors' report**

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 30 June 2004.

**Activities**

The company is an investment holding company and did not trade during the year.

**Financial**

The results for the year ended 30 June 2004 are shown on page 7. The directors do not recommend the payment of a dividend for the year (2003 - £nil). The company made neither a profit nor a loss for the year (2003 - loss of £432,000 transferred from reserves).

**Directors**

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

P Binning	(resigned 3 October 2003)
S M Bunn	
G P Crickmore	
R Rajagopal	(appointed 3 October 2003)

**Directors' emoluments**

None of the directors received any remuneration during the year in respect of their services as directors of the company (2003 - £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> pence each in the ultimate parent company, Diageo plc:

**Tanqueray Gordon & Company Limited**  
**Year ended 30 June 2004**

**Directors' report (continued)**

**Directors' interests (continued)**

(i) Ordinary shares

	At beginning of year (or date of appointment)	At end of year
<b>S M Bunn</b>	3,351	1,088
<b>G P Crickmore</b>	6,663	11,683
<b>R Rajagopal</b>	912	3,810

(ii) Options

	<b>Options over ordinary shares</b>			At end of year
	At beginning of year (or date of appointment)	Granted in year	Exercised during year	
<b>S M Bunn</b>	30,743	15,959	(383)	46,319
<b>G P Crickmore</b>	37,154	5,366	(11,465)	31,055
<b>R Rajagopal</b>	97,459	28,011	(4,754)	120,716

The directors held the above options under Diageo plc share option schemes at prices between 505 pence and 759 pence per ordinary share exercisable between 2004 and 2013. 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 625 pence and 780 pence per share during the year. The mid-market share price on 30 June 2004 was 744 pence.

At 30 June 2004, all the directors had an interest in 21,109,889 shares and 7,710,285 shares subject to call options, held by trusts to satisfy grants made under Diageo incentive plans and savings related share option schemes.

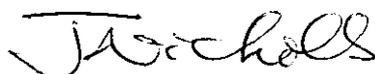
**Tanqueray Gordon & Company Limited**  
**Year ended 30 June 2004**

**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 re-appointed on the expiry of its term in office in respect of the year ended 30 June 2004.

By order of the board



J Nicholls  
Secretary  
8 Henrietta Place  
London  
W1G 0NB

14 December 2004

**Tanqueray Gordon & Company Limited**  
**Year ended 30 June 2004**

**Statement of directors' responsibilities in relation to the financial statements**

The following statement, which should be read in conjunction with the independent auditor's report on page 6, 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 at the end of the financial year and of the profit or loss for the financial year.

The directors, in preparing these financial statements, consider that the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, that all applicable accounting standards have been followed and that it is appropriate to prepare the financial statements on 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 that are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditors' report to the members of Tanqueray Gordon & Company Limited**

We have audited the financial statements on pages 7 to 11.

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 the 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 auditor, 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 1985. 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 our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

### **Basis of audit 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 2004 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  
15 December 2004

**Tanqueray Gordon & Company Limited**  
**Year ended 30 June 2004**

**Profit and loss account**

	<i>Notes</i>	<b>Year ended 30 June 2004 £'000</b>	<b>Year ended 30 June 2003 £'000</b>
Operating costs	2,3	—	(432)
<b>Loss on ordinary activities before taxation</b>		—	(432)
Taxation on loss on ordinary activities	4	—	—
<b>Loss for the financial year transferred from reserves</b>		<u>—</u>	<u>(432)</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.

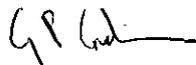
All results arise from continuing operations.

**Tanqueray Gordon & Company Limited**  
**Year ended 30 June 2004**

**Balance sheet**

	<i>Notes</i>	<b>30 June 2004</b> <b>£'000</b>	<b>30 June 2003</b> <b>£'000</b>
<b>Fixed asset</b>			
Investment	5	2	2
<b>Current assets</b>			
Debtors – due within one year	6	<u>245,785</u>	<u>245,785</u>
<b>Total assets</b>		<u>245,787</u>	<u>245,787</u>
<b>Capital and reserves</b>			
<b>Called up share capital</b>	7	245,500	245,500
<b>Reserves</b>			
Profit and loss account	8	<u>287</u>	<u>287</u>
<b>Equity shareholder's funds</b>	9	<u>245,787</u>	<u>245,787</u>

The financial statements on pages 7 to 11 were approved by the board of directors on 14 December 2004 and were signed on its behalf by:



G P Crickmore  
*Director*

**Tanqueray Gordon & Company Limited**  
**Year ended 30 June 2004**

**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.

**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.

**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 (2003 - £nil).

Operating costs of £432,000 in the prior year relate to the write down of an intercompany debtor to its recoverable value.

**Tanqueray Gordon & Company Limited**  
**Year ended 30 June 2004**

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

**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 (2003 - £nil). Details of the directors' share interests and any share options exercised during the year are included within the directors' report on pages 2 and 3.

**4. Taxation**

	Year ended 30 June 2004 £'000	Year ended 30 June 2003 £'000
<b>Factors affecting the current tax charge for the year:</b>		
Loss on ordinary activities before taxation	—	(432)
UK corporation tax at 30% (2003 – 30%) on the loss for the year on ordinary activities	-	(130)
Group relief surrendered for nil consideration	—	130
Current ordinary tax charge for the year	<u>—</u>	<u>-</u>

**5. Fixed asset - Investment**

	£'000
<b>Shares in subsidiary undertaking</b>	
At cost at beginning and end of the year	<u>2</u>

Details of the wholly owned subsidiary undertaking are as follows:

Subsidiary undertaking	Country of incorporation	Principal activity	Class of shares held
United Distillers Southern Africa (Proprietary) Limited	South Africa	Technical & management services to contracted bottlers of Gordon's Gin in South Africa	Ordinary shares

In the opinion of the directors, the investment in the subsidiary undertaking is worth at least the amount at which it is stated in the financial statements.

**Tanqueray Gordon & Company Limited**  
**Year ended 30 June 2004**

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

**6. Debtors – due within one year**

	<b>30 June 2004</b>	<b>30 June 2003</b>
	<b>£'000</b>	<b>£'000</b>
Amount owed by parent undertaking (Diageo plc)	245,478	245,478
Amount owed by other group undertaking (Diageo Finance plc)	<u>307</u>	<u>307</u>
	<u>245,785</u>	<u>245,785</u>

**7. Called up share capital**

	<b>30 June 2004</b>	<b>30 June 2003</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised, allotted, called up and fully paid</b>		
Equity - 2,455,000 ordinary shares of £100 each	<u>245,500</u>	<u>245,500</u>

**8. Reserves**

	<b>Profit and loss account</b>
	<b>£'000</b>
At beginning and end of the year	<u>287</u>

**9. Reconciliation of movement in equity shareholder's funds**

	<b>30 June 2004</b>	<b>30 June 2003</b>
	<b>£'000</b>	<b>£'000</b>
Loss for the year	-	<u>(432)</u>
<b>Net decrease in shareholder's funds</b>	-	<u>(432)</u>
Shareholder's funds at beginning of the year	<u>245,787</u>	<u>246,219</u>
<b>Shareholder's funds at end of the year</b>	<u>245,787</u>	<u>245,787</u>

**10. 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.