

Cellarers (Wines) Limited

Financial statements 30 June 2007

Registered number 1083023



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

The activity of the company is the storage of stocks of wines and spirits owned by the customers of fellow group companies. The directors foresee no changes in the company's activities.

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 company made neither a profit nor a loss (2006 - £nil).

Directors

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

S M Bunn	
C D Coase	
G P Crickmore	(appointed 28 June 2007)
M C Flynn	
J Kyne	(appointed 28 June 2007)
M J Lester	(resigned 31 August 2006)
N Makos	(appointed 27 July 2006)
C R R Marsh	
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' emoluments

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

A handwritten signature in black ink, appearing to read 'J. Nicholls', written over a horizontal line.

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 Cellarers (Wines) Limited

We have audited the financial statements of Cellarers (Wines) 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 result 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

24 April 2008

Profit and loss account

	<i>Notes</i>	Year ended 30 June 2007 £	Year ended 30 June 2006 £
Turnover	<i>1</i>	354,894	270,641
Operating costs	<i>2</i>	(354,894)	(270,641)
		<hr/>	<hr/>
Profit on ordinary activities before and after tax		-	-
		<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 restated on an historical cost basis

All results arise from continuing operations

Balance sheet

	<i>Notes</i>	30 June 2007 £	30 June 2006 £
Current assets			
Debtors due within one year	4	417,415	25,723
Creditors: due within one year	5	(417,413)	(25,721)
Net assets		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	6	<u>2</u>	<u>2</u>
Equity shareholders' funds		<u>2</u>	<u>2</u>

These 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

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

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

Turnover

Turnover represents the amount of rent receivable from third party customers, net of value added tax and credit notes

Notes to the financial statements

1. Analysis of turnover and profit on ordinary activities before taxation

The turnover is attributable to one class of business, that of the storage of stocks of wines and spirits owned by the customers of fellow group companies, all of which is carried out in the United Kingdom

The company has an agreement with fellow group company Justerini & Brooks, Limited to recharge all of its costs incurred through a management recharge

2. Operating costs

	Year ended 30 June 2007 £	Year ended 30 June 2006 £
Management charge payable to Justerini & Brooks, Limited	354,894	270,641

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. 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 (2006 - £nil)

4. Debtors

	30 June 2007 £	30 June 2006 £
Trade debtors	417,413	25,721
Amounts owed by fellow group undertakings		
Diageo Great Britain Limited	1	1
William Hucks and Company, Limited	1	1
	<u>417,415</u>	<u>25,723</u>

All amounts fall due within one year

Notes to the financial statements (continued)

5. Creditors due within one year

	30 June 2007 £	30 June 2006 £
Amounts owed to fellow group undertakings		
Justerini & Brooks, Limited	245,177	25,721
Other creditors	172,236	-
	<hr/>	<hr/>
	417,413	25,721
	<hr/>	<hr/>

Other creditors is the potential stock value stored that management estimate requires to be replaced

6. Share capital

	30 June 2007 £	30 June 2006 £
<i>Authorised:</i>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
Equity - 2 ordinary shares of £1 each	2	2
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7. Immediate and ultimate parent undertaking

The immediate parent undertaking of the company is Diageo Great Britain Limited, a company incorporated and registered in England

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