

Guinness Overseas Holdings Limited

Financial statements 30 June 2007

Registered number 1488969

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COMPANIES HOUSE

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 company is the holding company of a group of companies engaged in exports and overseas brewing and related operations

The principal subsidiary company is Guinness Overseas Limited which is the holding company of a sub-group of companies engaged in the brewing and marketing of alcoholic beverages, including Guinness Stout and Harp Lager and in the production and marketing of soft drinks abroad

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

A dividend of £nil (2006 - £76,100,000) was paid during the year. The directors do not recommend the payment of a final dividend for the year

The loss for the year transferred to reserves is £2,066,000 (2006 – profit of £51,845,000)

Directors

The directors who held office during the year were as follows

N B Blazquez

S M Bunn

C D Coase

M C Flynn

R J Joy (resigned 22 June 2007)

M J Lester (resigned 31 August 2006)

N Mákos (appointed 3 August 2006)

G P Crickmore was appointed as a director of the company on 5 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



J Nicholls
Secretary
8 Henrietta Place, London W1G 0NB

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 Guinness Overseas Holdings Limited

We have audited the financial statements of Guinness Overseas Holdings 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 loss 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

29 April 2008

Profit and loss account

	<i>Notes</i>	Year ended 30 June 2007	Year ended 30 June 2006
		£000	£000
Other operating income	<i>1</i>	349	-
Operating profit		<u>349</u>	<u>-</u>
Income from shares in group undertakings		20,446	76,100
Amounts written off investments	<i>4</i>	(22,130)	(24,255)
Net interest payable	<i>3</i>	(731)	-
		<u></u>	<u></u>
(Loss)/profit on ordinary activities before taxation		(2,066)	51,845
Taxation on profit on ordinary activities	<i>5</i>	-	-
		<u></u>	<u></u>
(Loss)/profit on ordinary activities after taxation		<u>(2,066)</u>	<u>51,845</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

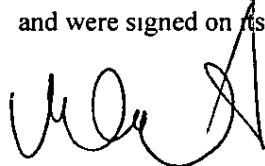
There is no difference between the results for the years shown in the profit and loss account and the results for the relevant years restated on an historical cost basis

All results arise from continuing operations

Balance sheet

	<i>Notes</i>	30 June 2007		30 June 2006	
		£000	£000	£000	£000
Fixed assets					
Investments	4		42,340		-
Current assets					
Debtors due within one year	6	26,835		13,402	
Creditors due within one year	7	(95,496)		(37,657)	
Net current liabilities			(68,661)		(24,255)
Net liabilities			(26,321)		(24,255)
Capital and reserves					
Called up share capital	8		-		-
Profit and loss account	9		(26,321)		(24,255)
Equity shareholders' deficit	10		(26,321)		(24,255)

These financial statements on pages 5 to 12 were approved by the board of directors on 24 January 2008 and were signed on its behalf by



N Mákos
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

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

Going concern

The financial statements have been prepared on a going concern basis as a fellow group undertaking has agreed to provide financial support for the foreseeable future. The only liabilities at the balance sheet date are in respect of balances due

Fixed asset investments

Income from fixed asset investments is credited to the profit and loss account when it is approved 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. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the financial year end exchange rates

Exchange gains and losses are taken to the profit and loss account

Notes to the financial statements

1. Operating profit

Other operating income includes a gain in respect of foreign exchange on intercompany loan (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 to the company (2006 - £nil)

2. 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)

3. Net interest payable

	Year ended 30 June 2007 £000	Year ended 30 June 2006 £000
Interest payable to Diageo Finance plc	731	-

Notes to the financial statements (continued)

4. Fixed assets - investments

	Subsidiary undertakings £000
Cost	
At 30 June 2006	24,255
Additions	64,470
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At 30 June 2007	88,725
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Provisions	
At 30 June 2006	(24,255)
Provided during the year	(22,130)
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At 30 June 2007	(46,385)
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Net book value	
At 30 June 2007	42,340
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At 30 June 2006	-
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The company's principal subsidiary undertakings and the percentage of equity owned are as follows

	Country of incorporation	Principal activity	Percentage of ordinary shares held
Direct holdings:			
Subsidiary undertakings			
Guinness Overseas Limited	England	Holding company	100%
Guinness Cameroun SA	Cameroon	Brewing, marketing and distribution of beer products	92%

The net book value of investments as at 30 June 2007 was £42,340,000 (2006 - £101)

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

Notes to the financial statements (continued)

5. Taxation

	30 June 2007	30 June 2006
	£000	£000
Factors affecting current tax for the year		
(Loss)/profit on ordinary activities before taxation	(2,066)	51,845
Taxation on loss/profit on ordinary activities at UK corporation tax rate of 30% (2006 -30%)	620	(15,553)
Income not subject to UK Corporation tax	6,133	22,830
Group relief surrendered free of charge	(114)	-
Expenses not deductible for tax purposes	(6,639)	(7,277)
Current ordinary tax for the year	-	-

6. Debtors

	30 June 2007	30 June 2006
	£000	£000
Amounts owed by fellow group undertakings		
Guinness Overseas Limited	13,433	-
Diageo Great Britain Limited	13,402	13,402
	26,835	13,402

All amounts fall due within one year

Notes to the financial statements (continued)

7. Creditors due within one year

	30 June 2007	30 June 2006
	£000	£000
Amounts owed to immediate and ultimate parent undertaking (Diageo plc)	13,398	13,398
Amounts owed to fellow group undertakings		
Guinness Overseas Limited	-	24,255
Diageo Finance plc	82,094	-
Other creditors	4	4
	<u>95,496</u>	<u>37,657</u>

8. Share capital

	30 June 2007	30 June 2006
	£	£
<i>Authorised, allotted, called up and fully paid:</i>		
Equity - 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

9. Reserves

	Profit and loss account £000
At 30 June 2006	(24,255)
Loss for the year	(2,066)
At 30 June 2007	<u>(26,321)</u>

Notes to the financial statements (continued)

10. Reconciliation of movement in shareholders' deficit

	30 June 2007	30 June 2006
	£000	£000
Shareholders' deficit at beginning of year	(24,255)	-
(Loss)/profit on ordinary activities after taxation	(2,066)	51,845
Dividends paid	-	(76,100)
Shareholders' deficit at end of year	(26,321)	(24,255)

11. 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.