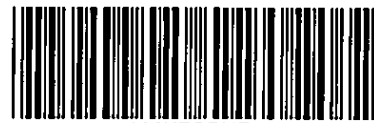


Company Registration No 2184853 (England and Wales)

**THE PORTMAN GROUP**  
**DIRECTORS' REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2006**

FRIDAY



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COMPANIES HOUSE

# THE PORTMAN GROUP

## COMPANY INFORMATION

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### Directors

D Clydesdale  
J Dunsmore  
R Evans (Appointed 24 May 2006)  
C J M Searle  
J-M Y M Spriet  
P S Swinburn  
J G Woods  
B D Slay (Appointed 15 December 2006)

### Secretary

D Poley

### Company number

2184853

### Registered office

7-10 Chandos Street  
Cavendish Square  
London  
W1G 9DQ

### Auditors

Winters  
29 Ludgate Hill  
London  
EC4M 7JE

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# THE PORTMAN GROUP

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# THE PORTMAN GROUP

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2006

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The directors present their report and financial statements for the period ended 31 December 2006

#### Principal activities

The principal activity of the company continued to be that of promoting responsible drinking, helping prevent alcohol misuse, fostering a balanced understanding of alcohol-related issues and encouraging responsible marketing

#### Directors

The following directors have held office since 1 January 2006

D Clydesdale	
J Dunsmore	
R Evans	(Appointed 24 May 2006)
A Morgan	(Resigned 13 December 2006)
C Pedrick	(Resigned 1 June 2006)
C J M Searle	
J-M Y M Spriet	
P S Swinburn	
J G Woods	
B D Slay	(Appointed 15 December 2006)

#### Directors' interests

None of the directors have any interests in the shares of the company. The company is limited by guarantee and had eight guarantors at 31 December 2006. Each guarantee is for £1.

Charitable donations	2006 £	2005 £
During the period the company made the following payments		
Charitable donations	316,202	148,395

#### Auditors

Winters were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

# THE PORTMAN GROUP

## DIRECTORS' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2006**

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### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 those 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,
- 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 which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditor**

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



10/5/07

# **THE PORTMAN GROUP**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF THE PORTMAN GROUP**

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We have audited the financial statements of The Portman Group for the period ended 31 December 2006 set out on pages 5 to 10. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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 auditors' 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 auditors**

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also 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.

# THE PORTMAN GROUP

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF THE PORTMAN GROUP

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#### Opinion

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 and of its profit for the period then ended and 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

  
Winters

18-5-07

Chartered Accountants  
Registered Auditor

29 Ludgate Hill  
London  
EC4M 7JE

# THE PORTMAN GROUP

## PROFIT AND LOSS ACCOUNT

**FOR THE PERIOD ENDED 31 DECEMBER 2006**

	Notes	2006 £	2005 £
Turnover		2,490,558	2,386,265
Administrative expenses		(2,444,297)	(2,319,884)
<b>Operating profit</b>	<b>2</b>	<b>46,261</b>	<b>66,381</b>
Other interest receivable and similar income	<b>3</b>	23,259	9,071
Interest payable and similar charges		(193)	-
<b>Profit on ordinary activities before taxation</b>		<b>69,327</b>	<b>75,452</b>
Tax on profit on ordinary activities	<b>4</b>	(14,000)	(20,924)
<b>Profit for the period</b>	<b>9</b>	<b>55,327</b>	<b>54,528</b>



# THE PORTMAN GROUP

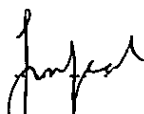
## BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	5		8,577		10,071
<b>Current assets</b>					
Debtors	6	333,101		256,901	
Cash at bank and in hand		1,463,811		279,248	
		1,796,912		536,149	
<b>Creditors amounts falling due within one year</b>	7	(1,764,344)		(560,402)	
<b>Net current assets/(liabilities)</b>			32,568		(24,253)
<b>Total assets less current liabilities</b>			41,145		(14,182)
<b>Capital and reserves</b>					
Profit and loss account	9		41,145		(14,182)
<b>Shareholders' funds</b>			41,145		(14,182)

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the Board for issue on 15/5/07

  
Director

# THE PORTMAN GROUP

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 31 DECEMBER 2006**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The guarantors have undertaken to provide financial assistance to the company to enable it to meet its obligations as they fall due for the foreseeable future

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### **1.3 Turnover**

Turnover comprises membership fees, sponsorship and grants & donations. Membership fees represent the invoiced value of membership charges billed to the members of The Portman Group. These fees are recognised in full in the profit and loss account during the period to which they relate.

Sponsorship represents additional amounts received from the guarantors and other third parties for specific projects. It is recognised in full in the profit and loss account during the year in which it is received.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	33% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	33% straight line

#### **1.5 Website development costs and depreciation**

Website development costs are capitalised and depreciation is provided at a rate of 50% straight line. The directors believe that future operating profits generated by the website will exceed the capitalised costs.

### **2 Operating profit**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Depreciation of tangible assets	10,205	32,135
Auditors' remuneration	6,500	9,000
Donations to The Drinkaware Trust	316,202	148,395

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# THE PORTMAN GROUP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

<b>3</b>	<b>Investment income</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Bank interest	23,259	9,071
		<u>23,259</u>	<u>9,071</u>
<b>4</b>	<b>Taxation</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U K corporation tax	14,000	17,611
	Adjustment for prior years	-	3,313
		<u>14,000</u>	<u>20,924</u>
	<b>Current tax charge</b>	<u>14,000</u>	<u>20,924</u>
<b>5</b>	<b>Tangible fixed assets</b>		
			<b>Plant and machinery etc</b>
			<b>£</b>
	<b>Cost</b>		
	At 1 January 2006		260,274
	Additions		8,711
			<u>268,985</u>
	At 31 December 2006		<u>268,985</u>
	<b>Depreciation</b>		
	At 1 January 2006		250,203
	Charge for the period		10,205
			<u>260,408</u>
	At 31 December 2006		<u>260,408</u>
	<b>Net book value</b>		
	At 31 December 2006		8,577
			<u>8,577</u>
	At 31 December 2005		<u>10,071</u>

# THE PORTMAN GROUP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

<b>6 Debtors</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade debtors	4,222	19,691
Other debtors	328,879	237,210
	<u>333,101</u>	<u>256,901</u>
 <b>7 Creditors amounts falling due within one year</b>	 <b>2006</b>	 <b>2005</b>
	<b>£</b>	<b>£</b>
Trade creditors	190,351	235,587
Taxation and social security	14,563	135,223
Other creditors	1,559,430	189,592
	<u>1,764,344</u>	<u>560,402</u>
 <b>8 Pension costs</b>		
 Defined contribution		
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the period	<u>49,621</u>	<u>53,680</u>
 <b>9 Statement of movements on profit and loss account</b>		<b>Profit and loss account</b>
		<b>£</b>
Balance at 1 January 2006		(14,182)
Profit for the period		55,327
Balance at 31 December 2006		<u>41,145</u>

# THE PORTMAN GROUP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2006**

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### 10 Financial commitments

At 31 December 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2007

	2006	2005
	£	£
Operating leases which expire		
Between two and five years	131,688	131,688

### 11 Related party transactions

The company made donations to The Drinkaware Trust through the provisions of services, assets and goods made available to The Drinkaware Trust. The value of these donations was £80,554 (2005 £38,595). The company also made donations towards the local initiative programme of The Drinkaware Trust of £100,000 (2005 £100,000), towards the cost of its publications £39,500 (2005 £9,800), and towards the costs of other expenses of £96,148 (2005 £Nil). The Drinkaware Trust is the charitable arm of The Portman Group.

During the year, The Portman Group incurred £28,560 (2005 £Nil) of expenses relating to the restructuring of The Drinkaware Trust. These expenses were not recharged to the Drinkaware Trust.

During the year the company was involved in related party transactions with certain of the guarantors, Diageo Great Britain, in respect of services provided to the company. The value of these services was £908,421 (2005 £709,679). At the year end the company owed Diageo Great Britain £120,586 (2005 £158,896).

### 12 Post balance sheet events

From 1 January 2007, the Drinkaware Trust has been governed independently of The Portman Group. The public education campaigns have been transferred to The Drinkaware Trust.