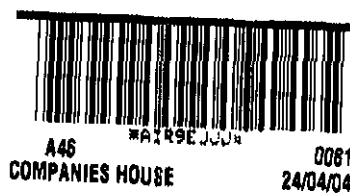


**DIAGEO SHARE OWNERSHIP TRUSTEES LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2003**

**Registered in England No. 4251018**



**DIAGEO SHARE OWNERSHIP TRUSTEES LIMITED**

**Year ended 30 June 2003**

**Profit and loss account**

During the financial year and the preceding financial period, the company did not trade and received no income and incurred no expenditure. Consequently during those periods the company made neither a profit nor a loss, and there were no other recognised gains or losses.

Accordingly, neither a profit and loss account, a statement of recognised gains and losses, a note of historical cost profits and losses nor a reconciliation of movements in shareholders' funds has been presented.

The notes on pages 4 and 5 form part of the financial statements.

**DIAGEO SHARE OWNERSHIP TRUSTEES LIMITED**

Year ended 30 June 2003

**Balance sheet**

	Notes	30 June 2003 £	30 June 2002 £
<b>Current asset</b>			
Debtor – due within one year	3	<u>1</u>	<u>1</u>
<b>Capital and reserves</b>			
Called up share capital	4	<u>1</u>	<u>1</u>

The notes on pages 4 and 5 form part of the financial statements.

The company did not trade during the financial year or the preceding financial period. The directors do not expect the company to trade in the foreseeable future.

The directors:

- a) confirm that the company was entitled to exemption under subsection (1) of section 249 AA of the Companies Act 1985 from the requirement to have its accounts audited for the financial year ended 30 June 2003
- b) confirm that members have not required the company to obtain an audit of its accounts for that financial year in accordance with subsection (2) of section 249B of that Act
- c) acknowledge their responsibilities for:
  - (i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and
  - (ii) preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 22 April 2004 and were signed on its behalf by:



S M Bunn  
Director

# DIAGEO SHARE OWNERSHIP TRUSTEES LIMITED

Year ended 30 June 2003

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Accounting policies

#### *Basis of preparation*

The financial statements of the company have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. The bases used are consistent with those used in the previous year.

The company acts as a trustee and nominee for the purposes of administering the Diageo Share Incentive Plan (formerly named the Diageo 2001 All Employee Share Ownership Plan) ('the Plan'). As at 30 June 2003 the trust held 2,089,254 ordinary shares in Diageo plc, which are held for the beneficial ownership of UK employees of the Diageo group. These purchases were financed by a loan from a group undertaking. The directors foresee no changes in the company's activities.

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.

Under Financial Reporting Standard No 1 (Revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of Diageo plc and is included in the published consolidated financial statements of Diageo plc.

### 2 Profit and loss account

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2002- £ nil).

### 3 Debtor – due within one year

	30 June 2003	30 June 2002
	£	£
Amount owed by parent undertaking – Diageo plc	<u>1</u>	<u>1</u>

### 4 Called up share capital

	30 June 2003	30 June 2002
	£	£
<b>Authorised</b>		
Equity: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
 <b>Allotted, called up and fully paid</b>		
Equity: 1 ordinary share of £1	<u>1</u>	<u>1</u>

# **DIAGEO SHARE OWNERSHIP TRUSTEES LIMITED**

**Year ended 30 June 2003**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **5 Post balance sheet events**

On 10 October 2003 the company, as trustee, agreed to purchase 1,031,658 ordinary shares in Diageo plc, to be held for the beneficial ownership of UK employees of the Diageo group. This purchase was to be financed by another group undertaking.

### **6 Immediate and ultimate parent undertaking**

The company's immediate and ultimate parent undertaking 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.