

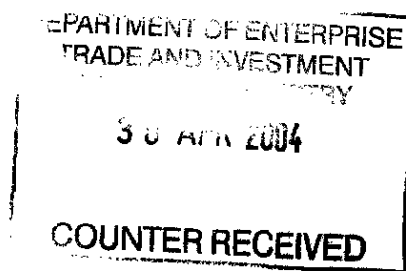


Diageo Global Supply IBC Limited
(formerly known as Irish Bonding Company Limited)

Financial statements

Year ended 30 June 2003

Companies registration number NI 3038



Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

Directors' report and financial statements

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Diageo Global Supply IBC Limited
(formerly known as Irish Bonding Company Limited)

Directors and other information

Directors

Mr CD Coase
Mr JP McLoughlin
Mr G Penny

Secretary

Mr JP McLoughlin

Auditors

KPMG
Chartered Accountants
Stokes House
17/25 College Square East
Belfast

Registered office

PO Box No. 50
Apollo Road
Adelaide Industrial Estate
Belfast
BT12 6JP

Companies registration number

NI 3038

Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

Directors' report

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 30 June 2003.

Principal activities and review of the business

The company is engaged in the bottling and canning of beers, wines, spirits, ciders and soft drinks. The company continues to trade profitably and the directors are confident that profitability can be maintained. On 1 October 2002 Irish Bonding Company Limited changed its name to Diageo Global Supply IBC Limited. On this date the selling arm of the company was sold to Diageo Northern Ireland Limited (formerly Guinness Northern Ireland Limited). All sales made subsequent to this date are intercompany sales. As a consequence the results of the company are not comparable to the previous year.

Results and dividends

The results for the year ended 30 June 2003 are shown on page 6.

No dividends were paid during the year.

Market value of land and buildings

In the opinion of the directors, the market value of the land and buildings is not significantly different to the book value of these assets.

Directors and directors' interests

The directors who held office during the year were:-

Mr S Magorrian (resigned 30 April 2003)
Mr CD Coase
Mr JP McLoughlin
Mr G Penny

The directors who held office at 30 June 2003 had no interests, other than those shown below in the shares in or debentures or loan stock of the company or group companies:

Name	Description of instrument	Interest at end of year	Interest at beginning of year or date of appointment (if later)
	Diageo plc		
JP McLoughlin	Ordinary shares	6,928	4,594
	Ordinary share options	13,779	12,330
CD Coase	Ordinary shares	9,814	8,760
	Ordinary share options	94,557	73,726
G Penny	Ordinary shares	4,147	3,137
	Ordinary share options	10,857	7,168

Political and charitable contributions

The company made no political donations during the year. Charitable donations amounted to £2,878 (2002: £170).

Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

Directors' report *(continued)*

Future developments

The company will continue to monitor the market closely and take advantage of opportunities to maintain and improve its position.

Employment policy

It is the policy of the company to promote the understanding and involvement of all employees in its business aims and performance and is committed to the continuing development of effective employee communication and consultation, including the regular distribution of company magazines and newspapers.

The company gives full and fair consideration to application for employment from disabled persons, having regard for their particular aptitude and abilities. Appropriate training is arranged for disabled persons.

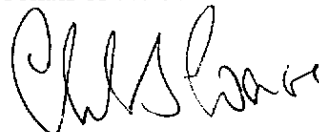
Payment policy

It is the policy of the company to pay suppliers at the end of the month following the month of the receipt of goods or services or on the date stipulated in the relevant contract of supply. Another group company operates the purchase ledger on behalf of the company and accordingly it is not possible to calculate the days outstanding in the year end trade creditors on an individual basis.

Auditors

KPMG have expressed their willingness to continue in office as auditors and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board



CD Coase
Director

10 December 2003

Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

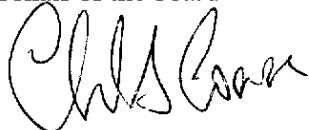
Statement of directors' responsibilities

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. 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.

On behalf of the board



CD Coase
Director

10 December 2003



Chartered Accountants

Stokes House
College Square East
Belfast BT1 6DH
Northern Ireland

Independent auditors' report to the members of Diageo Global Supply IBC Limited (formerly known as Irish Bonding Company Limited)

We have audited the financial statements on pages 6 to 20.

This report is made solely to the company's members as a body in accordance with article 243 of the Companies (Northern Ireland) Order 1986. 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 auditors

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable Northern Ireland law and accounting standards. Our responsibilities, as independent auditors, are established in Northern Ireland 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 (Northern Ireland) Order 1986. 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 affairs of the company as at 30 June 2003 and of the profit for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.

KPMG
Chartered Accountants
Registered Auditors

10 December 2003



KPMG, a partnership, is a member firm
of KPMG International, a Swiss Cooperative

Diageo Global Supply IBC Limited
(formerly known as Irish Bonding Company Limited)

Profit and loss account

Year ended 30 June 2003

	<i>Note</i>	2003 £000	2002 £000
Turnover - continuing operations	2	56,415	111,596
Operating costs	3	(52,725)	(98,842)
Operating profit - continuing operations		3,690	12,754
Exceptional item	4	-	(192)
Interest (payable)/receivable	5, 6	(73)	(124)
Profit on ordinary activities before taxation		3,617	12,438
Taxation on profit on ordinary activities	7	1,265	(1,274)
Profit for the financial year	19	4,882	11,164

The notes on pages 9 to 20 form part of these financial statements.

Diageo Global Supply IBC Limited
(formerly known as Irish Bonding Company Limited)

Note of historical cost profits and losses
Year ended 30 June 2003

	<i>Note</i>	2003 £000	2002 £000
Reported profit on ordinary activities before taxation		3,617	12,438
Difference between a historical cost depreciation charge and the actual depreciation charge based on the revalued amount	<i>18</i>	163	35
Historical cost profit on ordinary activities before taxation		3,780	12,473
Historical cost profit for the year retained after taxation and dividends		5,045	11,199

Statement of total recognised gains and losses
Year ended 30 June 2003

	2003 £000	2002 £000
Profit for the financial year	4,882	11,164
Total recognised gains and losses for the year	4,882	11,164
Profit year adjustment	-	(93)
Total gains and losses since the last annual report	4,882	11,071

Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

Balance sheet

At 30 June 2003

	Note	2003		2002	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		17,737		16,789
Investments	11		-		59
			<u>17,737</u>		<u>16,848</u>
Current assets					
Stocks	12	9,341		7,711	
Debtors	13	78,837		47,142	
Cash at bank and in hand		-		2,659	
		<u>88,178</u>		<u>57,512</u>	
Creditors: amounts falling due within one year	14	(46,980)		(19,022)	
Net current assets			41,198		38,490
Deferred income	15		(78)		(98)
Provision for liabilities and charges	16		(102)		(1,367)
Net assets			<u>58,755</u>		<u>53,873</u>
Capital and reserves					
Called up share capital	17		126		126
Revaluation reserve	18		1,260		1,423
Profit and loss account	18		57,369		52,324
			<u>58,755</u>		<u>53,873</u>
Equity shareholders' funds	19				

These financial statements were approved by the board of directors on 10 December 2003.

On behalf of the board

CD Coase
Director



The notes on pages 9 to 20 form part of these financial statements.

Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

Notes

(forming part of the financial statements)

1 Principal 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 accounting

The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain land and buildings and are in compliance with Schedule 4 to the Companies (Northern Ireland) Order 1986 and in accordance with applicable accounting standards.

The company has availed of the exemption of the Companies (Northern Ireland) Order 1986 not to prepare consolidated accounts as it is a wholly owned subsidiary undertaking of Diageo plc. Group accounts have been prepared for Diageo plc.

Depreciation of tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation, except for certain items of land and buildings which are carried at revalued amount less accumulated depreciation. The company is availing of the transitional provisions of FRS 15, Tangible Fixed Assets, and has retained the book amount of certain tangible assets which were previously revalued. It is expected that no further valuation will be carried out.

Freehold land is not depreciated. Other tangible assets are depreciated on a straight line basis to estimated residual values over their estimated useful lives. Details of depreciation rates are given in Note 10.

Government grants

Government grants for investments in tangible assets are deducted from the cost of the relevant assets up to 31 December 1992 and thereafter, when receivable are credited to a separate reserve in line with company policy. Grants are released to the profit and loss account over the useful lives of the assets to which they relate.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes raw materials, duties where applicable, direct labour and expenses and the appropriate proportion of production and other overheads or the invoiced cost of goods purchased for resale.

Leasing

The company enters into operating leases and the annual costs of these leases are charged to the profit and loss account.

Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

Notes (continued)

1 Principal accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate the forward contract rate. All exchange differences are taken to the profit and loss account.

Pensions

The company is a member of a group defined benefit pension scheme which is operated by its ultimate holding company, Diageo plc. Contributions to the scheme are assessed by a qualified actuary based on the cost of providing pensions across all participating companies. Costs are not determined for each individual company and accordingly contributions are charged to the profit and loss account when they become payable.

2 Turnover

	2003 £000	2002 £000
The following table analyses turnover by customer located at each territory:		
United Kingdom	16,784	71,908
Republic of Ireland	39,429	39,688
Rest of world	202	-
	<hr/>	<hr/>
	56,415	111,596
	<hr/>	<hr/>

Turnover represents the amount invoiced including duties where applicable, but excluding VAT derived from the bottling, canning and wholesale distribution of beers, wines, spirits and soft drinks.

Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

Notes (continued)

3 Operating costs

	2003 £000	2002 £000
Raw materials and consumables	28,877	63,002
Customs and Excise duties	5,013	23,913
Staff costs (Note 8)	5,418	6,003
Depreciation (Note 10)	2,364	2,667
Net other operating charges/(income)	4,363	3,820
Change in stocks (Note 12)	6,690	(563)
	<u>52,725</u>	<u>98,842</u>

	2003 £000	2002 £000
Net operating costs are after charging/(crediting):		
Hire of assets – operating leases	1,021	-
Auditors' remuneration:		
Audit	27	5
Other services	-	3
Loss on disposal of fixed assets	4	4
	<u></u>	<u></u>

4 Exceptional item

The prior year exceptional charge relates to reorganisation costs.

5 Interest receivable

	2003 £000	2002 £000
Receivable from group undertakings	-	-
Other	-	4
	<u>-</u>	<u>4</u>

Diageo Global Supply IBC Limited
(formerly known as Irish Bonding Company Limited)

Notes (*continued*)

6 Interest payable

	2003 £000	2002 £000
On bank loans and overdrafts	-	-
On all other loans	73	128
	<hr/> 73	<hr/> 128
	<hr/> <hr/>	<hr/> <hr/>

Of the above amounts £72,505 (2002: £119,000) was payable to group undertakings.

7 Taxation on profit on ordinary activities

	2003 £000	2002 £000
Analysis of charge in the year		
<i>Corporation tax:</i>		
Current year credit	-	-
	<hr/>	<hr/>
<i>Deferred tax:</i>		
Deferred tax (credit) – current year	(953)	(864)
Deferred tax charge – prior year	(312)	2,138
	<hr/> (1,265)	<hr/> 1,274
	<hr/> <hr/>	<hr/> <hr/>
Tax (credit)/charge on profit on ordinary activities	<hr/> <hr/> (1,265)	<hr/> <hr/> 1,274

Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

Notes (continued)

7 Taxation on profit on ordinary activities (continued)

Factors affecting the current tax charge

The current tax charge for the year is lower (2002: lower) than the standard rate of corporation tax in the UK 30% (2002: 30%). The differences are explained below:

	2003 £000	2002 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	3,617	12,438
Current tax at 30% (2002: 30%)	1,085	3,731
<i>Effects of:</i>		
Expenses not deductible for tax purposes	60	(84)
Depreciation for period in excess of capital allowances	54	800
Group relief for nil consideration	(1,199)	(4,447)
	<hr/>	<hr/>
Total current tax charge/(credit)	-	-
	<hr/>	<hr/>

8 Staff numbers and costs

	2003 £000	2002 £000
Wages and salaries	5,079	5,402
Social security costs	339	601
	<hr/>	<hr/>
	5,418	6,003
	<hr/>	<hr/>

Number of persons employed by the company (including directors) at end of year, analysed by category of employment, was as follows:

	No.	No.
Production	146	161
Distribution	87	85
Administration	22	16
	<hr/>	<hr/>
	255	262
	<hr/>	<hr/>

Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

Notes (continued)

9 Directors' emoluments

None of the directors received any emoluments for their services to the company.

10 Tangible assets

	<i>Long leasehold land and buildings £000</i>	<i>Plant and machinery £000</i>	<i>Containers and vehicles £000</i>	<i>Assets under construction £000</i>	<i>Total £000</i>
Cost or valuation					
At 1 July 2002	5,936	12,318	11,037	5,807	35,098
Additions	-	46	900	3,099	4,045
Additions intercompany	23	-	-	-	23
Transfers	1,287	6,129	(226)	(7,190)	-
Disposals	-	(905)	(1,105)	-	(2,010)
Disposals intercompany	-	(1,421)	-	(132)	(1,553)
At 30 June 2003	7,246	16,167	10,606	1,584	35,603
Depreciation					
At 1 July 2002	1,514	9,525	7,270	-	18,309
Charge for the year	195	870	1,299	-	2,364
Transfers	-	172	(172)	-	-
Disposals	-	(846)	(599)	-	(1,445)
Disposals intercompany	-	(1,362)	-	-	(1,362)
At 30 June 2003	1,709	8,359	7,798	-	17,866
Net book value					
At 30 June 2003	5,537	7,808	2,808	1,584	17,737
At 30 June 2002	4,422	2,793	3,767	5,807	16,789

Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

Notes (continued)

10 Tangible assets (continued)

	2003 £000	2002 £000
Land and buildings - the amount shown at cost or valuation includes the following:		
At cost	4,274	2,964
At valuation in 1989	2,972	2,972
	<hr/>	<hr/>
	7,246	5,936
	<hr/>	<hr/>
Land and buildings would have been stated on an historical cost basis at:		
Cost	5,622	4,252
Depreciation	(1,345)	(1,330)
	<hr/>	<hr/>
Net book value	4,277	2,922
	<hr/>	<hr/>

The following table shows the principal rates of depreciation used in the year:

Freehold and leasehold	-	3 1/3% on cost or valuation
Bottling and canning plant	-	12 1/2 % straight line
Fixed plant	-	10% straight line
Moveable plant	-	20% straight line
Fixtures and fittings	-	25% per annum straight line
Computer equipment	-	25% per annum straight line
Containers - new	-	10% per annum straight line
Distribution vehicles	-	16% straight line
Motor cars	-	25% per annum straight line
Fork lift trucks	-	25% per annum straight line
Bottles	-	31.25% per annum straight line
Pallets	-	10% per annum straight line

Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

Notes (*continued*)

11 Fixed asset investments

	<i>Group companies</i> £000	<i>Total</i> £000
Cost		
At 30 June 2002	165	165
Disposals	(165)	(165)
At 30 June 2003	-	-
Provisions		
At 1 July 2002	(106)	(106)
Disposals	106	106
At 30 June 2003	-	-
Net book value		
At 30 June 2003	-	-
At 30 June 2002	59	59

The companies 100% subsidiaries went into members voluntary liquidation during the year.

12 Stocks

	2003 £000	2002 £000
Consumables	1,061	807
Finished goods and goods purchased for resale	8,280	6,904
	9,341	7,711

The valuation of stocks at replacement cost would not give rise to any material difference to the amount at which they are stated.

Diageo Global Supply IBC Limited
(formerly known as Irish Bonding Company Limited)

Notes (continued)

13 Debtors

	2003 £000	2002 £000
Trade debtors	219	7,421
Amounts owed by group undertakings:		
Parent company and fellow subsidiaries	78,534	37,865
Other debtors	31	156
Prepayments and accrued income	53	280
Corporation tax	-	1,420
	<hr/>	<hr/>
	78,837	47,142
	<hr/>	<hr/>

14 Creditors: amounts falling due within one year

	2003 £000	2002 £000
Trade creditors	1,989	7,797
Amounts owed to group undertakings:		
Parent company and fellow subsidiaries	39,376	2,660
Other taxes and social security	3,224	6,525
Other creditors	245	1
Accruals and deferred income	2,146	2,039
	<hr/>	<hr/>
	46,980	19,022
	<hr/>	<hr/>

15 Deferred income

	2003 £000	2002 £000
Government grants	78	98
	<hr/>	<hr/>

Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

Notes (continued)

16 Provisions for liabilities and charges

	2003 £000	2002 £000
Deferred taxation		
At 1 July 2002	1,367	93
(Credit)/charge for year (note 7)	(1,265)	1,274
	<hr/>	<hr/>
At 30 June 2003	102	1,367
	<hr/>	<hr/>
	2003 £000	2002 £000
The elements of deferred tax are as follows:		
Excess of capital allowances over accumulated depreciation	222	1,485
Other timing differences	(120)	(118)
	<hr/>	<hr/>
	102	1,367
	<hr/>	<hr/>

17 Called up share capital

	2003 £000	2002 £000
Authorised:		
Equity: ordinary shares of £1 each	6	6
Non-equity: deferred ordinary shares of £1 each	120	120
	<hr/>	<hr/>
	126	126
	<hr/>	<hr/>
Allotted and fully paid:		
Equity: ordinary shares of £1 each	6	6
Non equity : deferred ordinary shares of £1 each	120	120
	<hr/>	<hr/>
	126	126
	<hr/>	<hr/>

Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

Notes (continued)

17 Called up share capital (continued)

The deferred ordinary shares entitle the holders to a fixed non-cumulative dividend at a rate of 5% per annum for any financial period of the company in respect of which the net profits of the company available for dividend exceed £10,000,000 but they are not entitled to receive notice of or attend any Annual General Meeting. On a winding-up the holders of the deferred shares shall be entitled out of the surplus assets of the company to a return of the capital paid upon the deferred shares after a capital sum of £10,000 has been distributed in such winding-up in respect of each of the ordinary shares.

18 Reserves

	Revaluation reserve £000	Profit and loss £000	Total £000
At 1 July 2002	1,423	52,324	53,747
Profit for the financial year	-	4,882	4,882
Transfer from revaluation reserve	(163)	163	-
	<hr/>	<hr/>	<hr/>
At 30 June 2003	1,260	57,369	58,629
	<hr/>	<hr/>	<hr/>

19 Movement in shareholders' funds

	2003 £000	2002 £000
Profit for the financial year	4,882	11,164
Opening shareholders' funds	53,873	42,709
	<hr/>	<hr/>
Closing shareholders' funds	58,755	53,873
	<hr/>	<hr/>

The interests of non equity shareholders in the shareholders' funds is the same amount as disclosed for non equity share capital.

Diageo Global Supply IBC Limited

(formerly known as Irish Bonding Company Limited)

Notes (continued)

20 Capital commitments

The company had no capital commitments at the year end (2002: £Nil).

21 Contingent liabilities

There is a contingent liability in respect of capital grants received and reflected in these financial statements which may become repayable should the terms of the letter of offer cease to be met.

22 Leasing commitments

	2003 £000	2002 £000
At 30 June 2003 the company had annual commitments under operating leases which expires:		
Within two to five years	377	169

23 Pension scheme

Eligible employees are members of the Diageo plc group defined benefit pension scheme. Particulars of the scheme can be found in the accounts of Diageo plc.

24 Holding company

The ultimate holding company is Diageo plc, a company incorporated in the United Kingdom. Diageo plc is the sole company to consolidate the results of the company. Copies of the accounts of the ultimate holding company can be obtained from:

8 Henrietta Place
London
W1M 9AG

25 Related party transactions

The company has taken advantage of the exemption conferred by FRS8 not to disclose details of transactions with other group undertakings.

26 Cash flow statement

A cash flow statement has not been prepared as the company, being a wholly owned subsidiary of Diageo plc which prepares consolidated financial statements including the company, is exempted from doing so by FRS1.