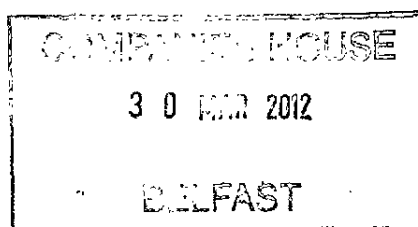


Diageo Global Supply IBC Limited

Financial statements 30 June 2011

Registered number: NI 003038



Diageo Global Supply IBC Limited
Registered number: NI 003038
Year ended 30 June 2011

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2
Statement of Directors' responsibilities	6
Independent auditors' report	7
Profit and loss account	9
Balance sheet	10
Note of historical cost profits and losses	11
Accounting policies	12
Notes to the financial statements	15

Diageo Global Supply IBC Limited
Registered number: NI 003038
Year ended 30 June 2011

Directors and other information

Directors

Mr. D. Heginbottom
Mr. I. Hockney
Mr. D. Light
Ms. S. Moore
Mr. P. Tunnacliffe
Mr. D. Varian

Company Secretary

Ms. C. Gilleece

Registered office

58 Boucher Road
Belfast
BT12 6HR

Auditors

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

Company registration number

NI 003038

Directors' report

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 30 June 2011.

Activities

The company is engaged in the bottling and canning of alcoholic beverages. The directors consider both the results for the year and trading prospects are satisfactory.

Business review

Development and performance of the business of the company during the financial year and position of the company as at 30 June 2011

The development and performance of the business of the company was, for the year ended 30 June 2011, entirely dependent on the respective demands of the Diageo subsidiaries with whom it trades.

Sales revenue decreased compared to the previous year by 9% (£6.7m). There was a decrease in export sales revenue of 8%, which is attributable to a decrease in sales to the Republic of Ireland market (£5.2 m). There was also a decrease in sales revenue within the United Kingdom of 11% (£1.5 m). Included within the 11% decrease was a reduction in sales revenue in Northern Ireland of 8% (£0.8m). This reduction is attributable to changes in pricing and product mix.

Financial and other key performance indicators

The directors do not consider the publication of the analysis using key performance indicators is necessary for an understanding of the development, performance or position of the business of the company. In addition, the directors do not consider that there are any factors by reference to which any meaningful analysis of the development, performance or position of the business of the company could be carried out.

The principal key performance indicators that are used to assess the performance of the Diageo group as a whole are described in the Operating and Financial Review contained within the annual report of Diageo plc.

Principal risks and uncertainties facing the company as at 30 June 2011

The company believes the following to be the principal risks and uncertainties it has to face. If any of these risks occur, the company's business, financial condition and results of operations could suffer.

Directors' report (continued)

Business review (continued)

Currency risk

The company publishes its financial statements in sterling and conducts some of its business in foreign currencies. As a result, it is subject to foreign currency exchange rate risk due to exchange rate movements, which will affect the company's transactions.

The group's transactional foreign exchange risk management policy has been reviewed and the revised policy has been approved on 1 October 2010. The revised policy is to aim to hedge 18 months forecast transactional foreign exchange rate risk in the three major currency pairs (US dollar/sterling, euro/sterling and euro/US dollar), up to 100% with a target range of between 75% and 100%. In addition, group treasury may decide to hedge other currencies for up to 18 months. The previous policy was to seek, for currencies in which there is an active market, to hedge between 60% and 100% of forecast transactional foreign exchange rate risk, for up to 21 months forward, using foreign currency exchange contracts with coverage levels increasing nearer to the forecast transaction date.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operation and future developments, the company has access to group funding.

Credit risk

The company's credit risk is primarily attributable to its trade receivables and to fellow subsidiary undertakings. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The company sets credit limits for, and monitors its exposure to, its counterparties via their credit ratings (where applicable).

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the business review section of the directors' report on page 1 and 2. The company is expected to continue to generate positive cash flows for its own account for the foreseeable future. The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Diageo group to continue as a going concern. On the basis of their assessment, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial

The results for the year ended 30 June 2011 are shown on page 9.

The directors do not recommend the payment of a dividend (2010 - £nil). The profit for the year transferred to reserves is £3,571,000 (2010 - £5,097,000).

Directors' report (continued)

Directors

The directors who held office during the year were:

Mr. C. Coase (resigned 31 March 2011)
Mr. C. Hanna
Mr. I. Hockney
Mr. D. Light
Ms. S. Moore
Mr. P. Tunnacliffe
Mr. D. Varian

Mr. D. Heginbottom was appointed as a director of the company on 20 July 2011.

On 13 October 2011 Mr. C. Hanna resigned as a director.

Directors' remuneration

None of the directors received any remuneration during the year in respect of their services as directors of the company (2010 - £nil).

Supplier payment policy

The company agrees terms and conditions for its business transactions when orders for goods and services are placed, ensuring that suppliers are aware of the terms of payment and including the relevant terms in contracts where appropriate. These arrangements are adhered to when making payments, subject to the terms and conditions being met by the supplier.

The number of days' purchases included in creditors as at 30 June 2011, in respect of the company, is 68 days (2010 - 54 days).

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG will therefore continue in office.

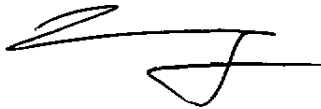
Directors' report (continued)

Disclosure of information to auditors

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

I. Hockney
Director

A handwritten signature in black ink, consisting of a series of loops and a horizontal line at the end, positioned to the right of the name I. Hockney.

13 December 2011

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).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.



KPMG
Chartered Accountants
Stokes House
17-25 College Square East
Belfast BT1 6DH
Northern Ireland

Independent auditors' report to the members of Diageo Global Supply IBC Limited

We have audited the financial statements of Diageo Global Supply IBC Limited for the year ended 30 June 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



KPMG
Chartered Accountants
Stokes House
17-25 College Square East
Belfast BT1 6DH
Northern Ireland

Independent auditors' report to the members of Diageo Global Supply IBC Limited

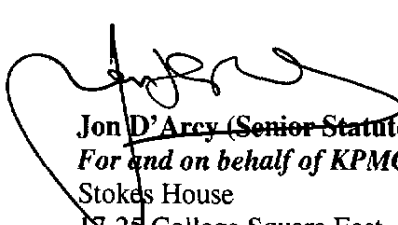
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jon D'Arcy (Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
Stokes House
17-25 College Square East
Belfast
BT1 6DH

13 February 2012

Profit and loss account

	<i>Notes</i>	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Turnover	<i>1</i>	71,387	78,045
Operating costs (including exceptional cost of £874,000 (2010-£2,000))	<i>2-3</i>	(68,063)	(73,255)
Operating profit		3,324	4,790
Net interest payable	<i>4</i>	(411)	(368)
Profit on ordinary activities before taxation		2,913	4,422
Taxation on profit on ordinary activities	<i>5</i>	658	675
Profit for the financial year		3,571	5,097

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.

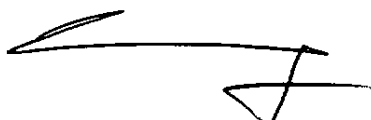
All results arise from continuing operations.

Balance sheet

	<i>Notes</i>	30 June 2011		30 June 2010	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	6		18,568		20,168
Current assets					
Stocks	7	1,980		2,417	
Debtors	8	12,744		18,314	
		<u>14,724</u>		<u>20,731</u>	
Creditors: due within one year	10	<u>(10,188)</u>		<u>(22,470)</u>	
Net current assets/(liabilities)			4,536		(1,739)
Total assets less current liabilities			<u>23,104</u>		<u>18,429</u>
Deferred income	11		(582)		(244)
Provisions for liabilities and charges	12		(890)		(124)
Net assets			<u>21,632</u>		<u>18,061</u>
Capital and reserves					
Called up share capital	13		126		126
Revaluation reserve	14		624		748
Profit and loss account	14		20,882		17,187
Shareholders' funds	15		<u>21,632</u>		<u>18,061</u>

These financial statements on pages 9 to 25 were approved by the board of directors on 13 December 2011 and were signed on its behalf by:

I. Hockney
Director



Diageo Global Supply IBC Limited
Registered number: NI 003038
Year ended 30 June 2011

Note of historical cost profits and losses

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Profit on ordinary activities before taxation	2,913	4,422
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	71	71
Historical cost profit on ordinary activities before taxation	2,984	4,493
Historical cost profit for the year	3,642	5,168

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 on a going concern basis under the historical cost convention modified by the revaluation of certain land and buildings 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 wholly owned by a member of the Diageo plc group ("group undertakings").

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.

Turnover

Turnover comprises revenue from the sale of goods and services. Revenue from the sale of goods includes excise and import duties which the company pays as principal but excludes amounts collected on behalf of third parties, such as value added tax. Turnover is recognised depending upon individual customer terms at the time of dispatch, delivery or some other specific point when the risk of loss transfers. Provision is made for returns where appropriate. Turnover is stated net of price discounts, allowances for customer loyalty and certain promotional activities and similar items.

Share based payments

The ultimate parent, Diageo plc, operates a number of share-based incentive schemes (awards of shares and options). Where the ultimate parent's shares or options over that company's shares are granted to a subsidiary undertaking's employees, an expense is recorded in the profit and loss account, with a corresponding credit to reserves. This charge is measured at the fair value of the share or share option at the date of grant, and is recognised on a straight-line basis over the vesting period of the award. The fair value is measured on the binomial or Monte Carlo models, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Pensions and other post employment benefits

The employees of the company are members of the Diageo UK pension plans, which are defined benefit schemes.

It is not possible to allocate the assets and liabilities of the pension plans between individual companies and therefore the company accounts for the plans as defined contribution schemes. The assets and liabilities of the Diageo UK pension plans are recognised in the Diageo plc consolidated financial statements.

Accounting policies (continued)

Exceptional items

Exceptional items are those that, in management's judgement, need to be disclosed by virtue of their size or incidence. Such items are included within the profit and loss account caption to which they relate and are separately disclosed either in the notes to the financial statements or on the face of the profit and loss account.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. 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.

Tangible fixed assets

Land and buildings are stated at cost or at professional valuation less depreciation.

The company availed 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. Leaseholds are depreciated over the unexpired period of the lease. Other tangible fixed assets are depreciated on a straight-line basis to estimated residual values over their expected useful lives within the following ranges:

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

Reviews are carried out if there is some indication that impairment may have occurred, to ensure that fixed assets are not carried at above their recoverable amounts.

Profit or loss on the sale of a property is the difference between the disposal proceeds and the net book value, including any revaluation of the asset. Any amount in the revaluation reserve relating to assets which are disposed of is transferred to the profit and loss account reserve in the year of disposal and is not included in the profit for the year.

Accounting policies (continued)

Leases

Where the company has substantially all the risks and rewards of ownership of an asset subject to a lease, the lease is treated as a finance lease. Other leases are treated as operating leases, with payments and receipts taken to the profit and loss account on a straight-line basis over the life of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes raw materials, direct labour and expenses, and an appropriate proportion of production and other overheads.

Provisions

Provisions are liabilities of uncertain timing or amount. A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are calculated on a discounted basis, where the effect is material to the original undiscounted provision. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

Taxation

Current tax, including UK corporation tax and overseas tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted at the balance sheet date. Except as otherwise required by FRS 19, deferred tax is provided in full on timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, in the future. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Any interest or penalties on tax liabilities are provided in the tax charge.

Change in presentation format

During the year the Company changed the presentation format adopted in the Profit and loss account with respect to operating costs and the related note disclosure. Accordingly, the company has changed the presentation of prior year comparative information for consistency with the current year presentation. The change in the presentation adopted by the company has no impact on the operating profit or loss in the current or preceding financial year.

Notes to the financial statements

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

Geographical analysis of turnover

Turnover originated from the United Kingdom and the geographical analysis of turnover by destination is given below:

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
United Kingdom	11,399	12,880
Republic of Ireland	59,988	65,165
	<hr/> 71,387 <hr/>	<hr/> 78,045 <hr/>

The directors have taken advantage of the exemption from full disclosure of segmental information required by Statement of Standard Accounting Practice No. 25 as the company is a wholly owned subsidiary. Segmental disclosures are provided in the accounts of the ultimate parent company, Diageo plc.

Sales to fellow group undertakings included in turnover amounted to £70,779,344 (2010 - £77,641,045).

2. Operating costs

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Decrease/(increase) in stocks of finished goods and work in progress	2	(522)
Raw materials and consumables	54,667	61,253
Staff costs (note 3)	5,808	5,849
Other external charges (a)	3,798	4,053
Depreciation and other amounts written off fixed assets	3,023	2,681
Other exceptional costs - reorganisation	874	-
Government grant amortisation	(109)	(59)
	<hr/> 68,063 <hr/>	<hr/> 73,255 <hr/>

Notes to the financial statements (continued)

2. Operating costs (continued)

- (a) **Other external charges** include: operating lease rentals for plant and machinery of £263,000 (2010 - £353,000); other lease rentals of £192,000 (2010 - £105,000); maintenance costs of £899,000 (2010 - £1,060,000); contracted staff cost of £248,000 (2010 - £310,000).

The auditor's remuneration was paid on behalf of the company by a fellow group undertaking. There were no fees payable to the auditor in respect of non-audit services (2010 - £nil).

3. Directors and employees

The average number of employees, including directors, during the year was:

	Year ended 30 June 2011	Year ended 30 June 2010
Production	123	126
Corporate and administration	28	28
Selling and distribution	1	1
	<hr/>	<hr/>
	152	155
	<hr/>	<hr/>

The aggregate remuneration of all employees comprised:

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Wages and salaries	4,313	4,319
Employer's pension costs	1,024	866
Employer's social security costs	364	370
Other employment costs	107	95
Share based payments	-	199
	<hr/>	<hr/>
	5,808	5,849
	<hr/>	<hr/>

Notes to the financial statements (continued)

3. Directors and employees (continued)

Retirement benefits

The majority of the employees of the company are members of the Diageo UK pension plans, which are defined benefit schemes.

It is not possible to allocate the assets and liabilities of the pension plans between individual companies and therefore the company accounts for it as a defined contribution scheme. The company made cash contributions of £1,024,000 to the schemes in respect of its employees in the year ended 30 June 2011 (2010 – £866,000).

The assets and liabilities of the Diageo UK pension plans and related disclosures are contained in Diageo plc's annual report for the year ended 30 June 2011. However, the amounts referred to are not all attributable to the company.

All the directors were paid by fellow group undertakings.

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2010 - £nil).

4. Net interest payable

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Interest payable on:		
Loans from fellow group undertakings	(460)	(390)
Interest receivable on:		
Loans to fellow group undertakings	49	22
Net interest payable	<u>(411)</u>	<u>(368)</u>

Notes to the financial statements (continued)

5. Taxation

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
(i) Analysis of taxation credit for the year		
Current tax	-	-
Deferred tax		
Credit for the year	710	668
Adjustment in respect of prior years	20	7
Effect of changes of tax rates	(72)	-
	<hr/>	<hr/>
Total deferred tax	658	675
	<hr/>	<hr/>
Taxation on profit on ordinary activities	658	675
	<hr/>	<hr/>

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
(ii) Factors affecting current tax charge for the year		
Profit on ordinary activities before taxation	2,913	4,422
	<hr/>	<hr/>
Taxation on profit on ordinary activities at UK corporation tax rate of 27.5% (2010 - 28%)	(801)	(1,238)
Accelerated capital allowances and other timing differences	(767)	(681)
Income not taxable and expenses not deductible for tax purposes	(40)	(39)
UK/Non-UK Transfer pricing adjustment	-	(17)
Group relief claimed for nil consideration	1,608	1,975
	<hr/>	<hr/>
Current ordinary tax charge for the year	-	-
	<hr/>	<hr/>

Factors which may affect future tax charges

An annual phased reduction in the main rate of UK corporation tax from 28% to 24% was initially announced in the emergency Budget in 2010. Following the 2011 Budget Statement, the main rate of UK corporation tax was reduced from 28% to 26% with effect from 1 April 2011 and to 25% with effect from 1 April 2012. Thereafter the main rate of UK corporation tax will continue to reduce by 1% per annum to 23% by 2014. It is expected that this gradual fall in the main corporation tax rate will result in a reduction of the company's deferred tax asset and also a reduction of the company's future current tax charge.

Notes to the financial statements (continued)

6. Fixed assets – tangible assets

	Land and buildings £'000	Plant and machinery £'000	Containers and vehicles £'000	Assets in course of construction £'000	Total £'000
Cost					
At 30 June 2010	6,920	25,234	2,490	1,833	36,477
Additions	72	465	282	604	1,423
Transfers	147	1,618	-	(1,765)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2011	7,139	27,317	2,772	672	37,900
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 30 June 2010	2,929	11,196	2,184	-	16,309
Provided during the year	259	2,414	37	-	2,710
Impairment	-	313	-	-	313
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2011	3,188	13,923	2,221	-	19,332
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 30 June 2011	3,951	13,394	551	672	18,568
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2010	3,991	14,038	306	1,833	20,168
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements (continued)

6. Fixed assets – tangible assets (continued)

The total cost or valuation for land and buildings comprises:

	30 June 2011	30 June 2010
	£'000	£'000
At cost	4,275	4,057
At 1989 professional valuation	2,864	2,864
	<hr/>	<hr/>
	7,139	6,921
	<hr/>	<hr/>

The 1989 valuations were made on an open market existing use basis except for specialised properties which were valued on a depreciated replacement cost basis.

Historical cost figures for land and buildings (i.e. the original cost to the company of all land and buildings) and the related depreciation were:

	30 June 2011	30 June 2010
	£'000	£'000
Historical cost	5,624	5,405
Aggregated depreciation based on historical cost	(2,295)	(2,107)
	<hr/>	<hr/>
Historical net book value	3,329	3,298
	<hr/>	<hr/>

	30 June 2011	30 June 2010
	£'000	£'000
Long leasehold	3,951	3,991
	<hr/>	<hr/>

Notes to the financial statements (continued)

7. Stocks

	30 June 2011	30 June 2010
	£'000	£'000
Raw materials and consumables	1,129	1,564
Finished goods and goods for resale	851	853
	1,980	2,417

8. Debtors

	30 June 2011		30 June 2010	
	Due within	Due after	Due within	Due after
	one year	one year	one year	one year
	£'000	£'000	£'000	£'000
Trade debtors	17	-	1	-
Amounts owed by fellow group undertakings	11,415	-	17,770	-
Other debtors	175	-	71	-
Other prepayments and accrued income	27	-	20	-
Deferred taxation (note 11)	-	1,110	-	452
	11,634	1,110	17,862	452

Debtors are disclosed net of provisions of £nil (2010 - £nil) for bad and doubtful debts.

9. Deferred taxation

	30 June 2011	30 June 2010
	£'000	£'000
Accelerated capital allowances	1,110	394
Other timing differences	-	58
Deferred tax asset	1,110	452

Deferred taxation assets have been recognised to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation assets, where realisation does not meet the more likely than not criterion, have not been recognised. The maximum potential deferred tax asset which is not recognised in the balance sheet amounts to £nil (2010 - £nil).

Notes to the financial statements (continued)

10. Creditors: due within one year

	30 June 2011	30 June 2010
	£'000	£'000
Trade creditors	4,694	3,598
Amounts owed to fellow group undertakings	4,401	17,094
Accruals and deferred income	871	1,212
Other creditors	222	545
Other taxation including social security	-	21
	10,188	22,470

11. Deferred income

	30 June 2011	30 June 2010
	£'000	£'000
Government Grants		
At the beginning of the year	244	303
Grant received during the year	447	-
Release for the year	(109)	(59)
	582	244

12. Provisions for liabilities and charges

	Restructuring	Other	Total
	£'000	£'000	£'000
At 30 June 2010	92	32	124
Provided during the year	874	149	1,023
Released	(203)	(54)	(257)
At 30 June 2011	763	127	890

The increase in the restructuring provision relates to the future reorganization costs resulting from operational design (OD) restructuring process started in 2009. These costs represent a provision for severance payments, which cover the company's obligations regarding lump sum payments to employees departing under the company's re organisation plans.

Notes to the financial statements (continued)

13. Share capital

	30 June 2011 £'000	30 June 2010 £'000
<i>Allotted, called up and fully paid:</i>		
6,000 ordinary shares of £1 each	6	6
120,000 deferred ordinary shares of £1 each	120	120
	<hr/>	<hr/>
	126	126
	<hr/>	<hr/>

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.

14. Reserves

	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 30 June 2010	748	17,187	17,935
Profit for the financial year	-	3,571	3,571
Realisation of revaluation reserve	(124)	124	-
	<hr/>	<hr/>	<hr/>
At 30 June 2011	624	20,882	21,506
	<hr/>	<hr/>	<hr/>

Notes to the financial statements (continued)

15. Reconciliation of movement in shareholders' funds

	30 June 2011 £'000	30 June 2010 £'000
Profit for the financial year	3,571	5,097
Share based payments	-	199
Net addition to shareholders' funds	3,571	5,296
Shareholders' funds at the beginning of the year	18,061	12,765
Shareholders' funds at the end of the year	21,632	18,061

16. Commitments

At 30 June 2011 the company had minimum annual commitments under non-cancellable operating leases as follows:

	30 June 2011			30 June 2010		
	Plant & Machinery £'000	Other vehicles £'000	Total £'000	Plant & Machinery £'000	Other vehicles £'000	Total £'000
Annual payments under leases expiring:						
From one to five years	73	-	73	71	19	90
Within one year	-	12	12	29	4	33
	73	12	85	100	23	123

Capital expenditure commitments not provided for in these financial statements are estimated at £110,000 (2010 - £51,000).

At 30 June 2011 the company had purchase commitments originating from purchase orders totalling £10,472,000 (2010 - £2,447,000).

Notes to the financial statements (continued)

17. 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.

Description	Potential Value of Liability £'000
Grants for canning (production) lines in IBC (Guinness Supply – Northern Ireland) which may be repayable to "Invest NI".	689
Grant for installation of Shrink wrapper and upgrade of tank farm which may be repayable if assets are disposed or moved furthermore if the number of employees falls below 146.	447

18. 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 Lakeside Drive, Park Royal, London, NW10 7HQ.

19. Post balance sheet events

There have been no significant events affecting the company since the balance sheet date.