

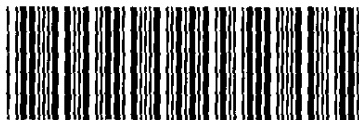
# **Diageo Global Supply IBC Limited**

## **Financial statements 30 June 2012**

Registered number: NI 003038

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**Diageo Global Supply IBC Limited**  
**Registered number: NI 003038**  
**Year ended 30 June 2012**

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**Diageo Global Supply IBC Limited**  
**Registered number: NI 003038**  
**Year ended 30 June 2012**

## **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**

Mrs. C. McCormick

### **Registered office**

58 Boucher Road  
Belfast  
BT12 6HR  
Northern Ireland

### **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 2012.

### **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 2012*

The development and performance of the business of the company was, for the year ended 30 June 2012, entirely dependent on the respective demands of the Diageo subsidiaries with whom it trades.

Sales revenue slightly increased compared to the previous year by 2% (£1.6 m). This growth is an effect of a combined impact. There was an increase in export sales revenue of 5%, which is attributable to a growth in sales to the Republic of Ireland market (£2.8 m). This growth was offset by a decrease in sales revenue within the United Kingdom of 11% (£1.2 m). This total reduction is attributable to changes in pricing and product mix. During the year ending 30 June 2012 the company experienced a volume increase of 17% in the local market, however due to the competitive market place pricing the company experienced a slight increase in revenue of 2%.

### *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.

### *Principal risks and uncertainties facing the company as at 30 June 2012*

The principal risks and uncertainties facing the company, as a member of the Diageo group, coincide with those facing the group as a whole. These are disclosed in the accounts of Diageo plc which are available as indicated in note 18 to the accounts.

In so far as the company is concerned, since the majority of its transactions are with fellow members of the Diageo group, the risk of non-performance by counterparties to transactions of the company is considered remote. The company's present activities are remunerated on a cost-plus basis and are therefore not considered to expose the company to significant risks and uncertainties.

## **Directors' report (continued)**

### **Business review (continued)**

#### *Financial risk management - 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.

### **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 2 and 3. The company is expected to continue to generate profit for its own account and to remain in positive net asset position 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 2012 are shown on page 8.

The directors do not recommend the payment of a dividend (2011 - £nil). The profit for the year transferred to reserves is £3,754,000 (2011 - £3,571,000).

## **Directors' report (continued)**

### **Directors**

The directors who held office during the year were:

Mr. C. Hanna (resigned 13 October 2011)  
Mr. D. Heginbottom (appointed 20 July 2011)  
Mr. I. Hockney  
Mr. D. Light  
Ms. S. Moore  
Mr. P. Tunnaclyffe  
Mr. D. Varian

### **Directors' remuneration**

None of the directors received any remuneration during the year in respect of their services as directors of the company (2011 - £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 2012, in respect of the company, is 65 days (2011 - 68 days).

### **Auditor**

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

### **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

20 November 2012

## **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 auditor's 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 2012 set out on pages 8 to 24 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 UK 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](http://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 2012 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

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared 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**  
*Chartered Accountants*  
Stokes House  
17-25 College Square East  
Belfast  
BT1 6DH

14 January 2013

**Profit and loss account**

	<i>Notes</i>	<b>Year ended 30 June 2012 £'000</b>	<b>Year ended 30 June 2011 £'000</b>
<b>Turnover</b>	<i>1</i>	72,966	71,387
Operating costs (including exceptional cost of £nil (2011-£874,000))	<i>2-3</i>	(69,493)	(68,063)
<b>Operating profit</b>		<u>3,473</u>	<u>3,324</u>
Net interest payable	<i>4</i>	(259)	(411)
<b>Profit on ordinary activities before taxation</b>		<u>3,214</u>	<u>2,913</u>
Taxation on profit on ordinary activities	<i>5</i>	540	658
<b>Profit for the financial year</b>		<u><u>3,754</u></u>	<u><u>3,571</u></u>

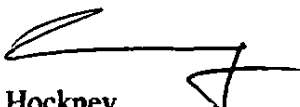
There are no recognised gains and losses other than the result for the year and consequently a statement of total recognised gains and losses has not been presented as part of the financial statements.

All results arise from continuing operations.

# Balance sheet

		30 June 2012		30 June 2011	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	6		16,749		18,568
<b>Current assets</b>					
Stocks	7	2,276		1,980	
Debtors	8	16,799		12,744	
		<u>19,075</u>		<u>14,724</u>	
<b>Creditors: due within one year</b>	10	<u>(9,633)</u>		<u>(10,188)</u>	
<b>Net current assets</b>			9,442		4,536
<b>Total assets less current liabilities</b>			<u>26,191</u>		<u>23,104</u>
<b>Deferred income</b>	11		(473)		(582)
<b>Provisions for liabilities</b>	12		(332)		(890)
<b>Net assets</b>			<u>25,386</u>		<u>21,632</u>
<b>Capital and reserves</b>					
Called up share capital	13		126		126
Revaluation reserve	14		553		624
Profit and loss account	14		24,707		20,882
<b>Shareholders' funds</b>	15		<u>25,386</u>		<u>21,632</u>

These financial statements on pages 8 to 24 were approved by the board of directors on 20 November 2012 and were signed on its behalf by:

  
I. Hockney  
Director

Company No NI 003038

Diageo Global Supply IBC Limited  
Registered number: NI 003038  
Year ended 30 June 2012

**Note of historical cost profits and losses**

	<b>Year ended 30 June 2012 £'000</b>	<b>Year ended 30 June 2011 £'000</b>
<b>Profit on ordinary activities before taxation</b>	3,214	2,913
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	71	71
<b>Historical cost profit on ordinary activities before taxation</b>	<u>3,285</u>	<u>2,984</u>
<b>Historical cost profit for the year</b>	<u><u>3,825</u></u>	<u><u>3,642</u></u>

## **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").

### **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.

### **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.

### **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.

## **Accounting policies (continued)**

### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction, or if hedged forward, at the rate of exchange under the related foreign currency contract. Assets and liabilities denominated in foreign currencies are translated into sterling at the financial year end exchange rates, if hedged forward, at the rate of exchange under the related foreign currency contract. 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 revaluated. 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	-	Not depreciated
Buildings	-	5-50 years
Bottling and canning plant	-	3-30 years
Other plant and equipment	-	3-25 years
Bottles and crates – new (returnable packaging)	-	2-10 years

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**

Assets held under finance leases are recognised as assets of the company at their fair value at the inception of the lease. The corresponding liability to the lessor is included in creditors. Lease payments are apportioned between interest expense and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. 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.

## 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 2012 £'000	Year ended 30 June 2011 £'000
United Kingdom	9,994	11,399
Republic of Ireland	62,972	59,988
	<hr/>	<hr/>
	72,966	71,387
	<hr/>	<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 £75,526,894 (2011 - £70,779,344).

### 2. Operating costs

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
(Increase)/decrease in stocks of finished goods and work in progress	(295)	2
Raw materials and consumables	57,375	54,667
Staff costs (note 3)	5,598	5,808
Other external charges (a)	4,006	3,798
Depreciation and other amounts written off fixed assets	2,918	3,023
Other exceptional costs - reorganisation	-	874
Government grant amortisation	(109)	(109)
	<hr/>	<hr/>
	69,493	68,063
	<hr/>	<hr/>



**Notes to the financial statements (continued)**

**2. Operating costs (continued)**

- (a) **Other external charges** include: operating lease rentals for plant and machinery of £182,000 (2011 - £263,000); other lease rentals of £97,000 (2011 - £192,000); maintenance costs of £853,000 (2011 - £899,000); contracted staff cost of £110,000 (2011 - £248,000).

The auditor's remuneration amounted to £18,000 (2011 - £20,000), which 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 (2011 - £nil).

**3. Directors and employees**

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

	<b>Year ended 30 June 2012</b>	<b>Year ended 30 June 2011</b>
Production	121	123
Corporate and administration	15	28
Selling and distribution	10	1
	<u>146</u>	<u>152</u>

The aggregate remuneration of all employees comprised:

	<b>Year ended 30 June 2012 £'000</b>	<b>Year ended 30 June 2011 £'000</b>
Wages and salaries	4,097	4,313
Employer's pension costs	1,128	1,024
Employer's social security costs	356	364
Other employment costs	17	107
	<u>5,598</u>	<u>5,808</u>

## 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 £1,128,000 to the schemes in respect of its employees in the year ended 30 June 2012 (2011 - £1,024,000).

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 2012. 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 (2011 - £nil).

### 4. Net interest payable

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Interest payable on:		
Loans from fellow group undertakings	(345)	(460)
Interest receivable on:		
Loans to fellow group undertakings	86	49
	<hr/>	<hr/>
Net interest payable	(259)	(411)
	<hr/>	<hr/>

**Notes to the financial statements (continued)**

**5. Taxation**

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
<b>(i) Analysis of taxation credit for the year</b>		
Current tax	-	-
Deferred tax		
Credit for the year	662	710
Adjustment in respect of prior years	3	20
Effect of changes of tax rates	(125)	(72)
Total deferred tax	540	658
Taxation on profit on ordinary activities	540	658

	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
<b>(ii) Factors affecting current tax charge for the year</b>		
Profit on ordinary activities before taxation	3,214	2,913
Taxation on profit on ordinary activities at UK corporation tax rate of 25.5% (2011 – 27.5%)	(820)	(801)
Accelerated capital allowances and other timing differences	(662)	(767)
Income not taxable and expenses not deductible for tax purposes	(67)	(40)
UK/Non-UK Transfer pricing adjustment	-	-
Group relief claimed for nil consideration	1,549	1,608
Current ordinary tax charge for the year	-	-

**Factors which may affect future tax charges**

Following the 2011 Budget Statement and amendments subsequently proposed by the 2012 Budget, the main rate of UK corporation tax was reduced from 28% to 26% with effect from 1 April 2011 and to 24% with effect from 1 April 2012. Thereafter, the main rate of UK corporation tax will continue to reduce by 1% per annum to 22% by 1 April 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**

	<b>Land and buildings £'000</b>	<b>Plant and machinery £'000</b>	<b>Returnable packaging £'000</b>	<b>Assets in course of construction £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At 30 June 2011	7,139	27,317	2,772	672	37,900
Additions	62	313	-	724	1,099
Transfers	180	492	-	(672)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 June 2012</b>	<b>7,381</b>	<b>28,122</b>	<b>2,772</b>	<b>724</b>	<b>38,999</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 30 June 2011	3,188	13,923	2,221	-	19,332
Provided during the year	381	2,187	350	-	2,918
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 June 2012</b>	<b>3,569</b>	<b>16,110</b>	<b>2,571</b>	<b>-</b>	<b>22,250</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
<b>At 30 June 2012</b>	<b>3,812</b>	<b>12,012</b>	<b>201</b>	<b>724</b>	<b>16,749</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2011	3,951	13,394	551	672	18,568
	<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:

	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>£'000</b>	<b>£'000</b>
At cost	4,517	4,275
At 1989 professional valuation	2,864	2,864
	<u>7,381</u>	<u>7,139</u>

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:

	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>£'000</b>	<b>£'000</b>
Historical cost	5,865	5,624
Aggregated depreciation based on historical cost	(2,605)	(2,295)
	<u>3,260</u>	<u>3,329</u>

	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>£'000</b>	<b>£'000</b>
Long leasehold	<u>3,812</u>	<u>3,951</u>

## Notes to the financial statements (continued)

### 7. Stocks

	30 June 2012 £'000	30 June 2011 £'000
Raw materials and consumables	1,202	1,129
Finished goods and goods for resale	1,074	851
	<u>2,276</u>	<u>1,980</u>

### 8. Debtors

	30 June 2012		30 June 2011	
	Due within one year £'000	Due after one year £'000	Due within one year £'000	Due after one year £'000
Trade debtors	13	-	17	-
Amounts owed by fellow group undertakings	14,927	-	11,415	-
Other debtors	100	-	175	-
Other prepayments and accrued income	109	-	27	-
Deferred taxation (note 9)	-	1,650	-	1,110
	<u>15,149</u>	<u>1,650</u>	<u>11,634</u>	<u>1,110</u>

Debtors are disclosed net of provisions of £nil (2011 - £nil) for bad and doubtful debts.

Amounts owed by fellow group undertakings are unsecured and repayable on demand.

### 9. Deferred taxation

	30 June 2012 £'000	30 June 2011 £'000
Accelerated capital allowances	1,650	1,110
Other timing differences	-	-
	<u>1,650</u>	<u>1,110</u>

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 (2011 - £nil).

**Notes to the financial statements (continued)**

**10. Creditors: due within one year**

	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	5,268	4,694
Amounts owed to fellow group undertakings	3,511	4,401
Accruals and deferred income	754	871
Other creditors	100	222
	<u>9,633</u>	<u>10,188</u>

Amounts due to group undertakings are unsecured and repayable on demand.

**11. Deferred income**

<b>Government Grants</b>	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>£'000</b>	<b>£'000</b>
At the beginning of the year	582	244
Grant received during the year	-	447
Release for the year	(109)	(109)
	<u>473</u>	<u>582</u>

**12. Provisions for liabilities and charges**

	<b>Restructuring</b>	<b>Other</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 30 June 2011	763	127	890
Provided during the year	-	13	13
Released	(446)	(125)	(571)
	<u>317</u>	<u>15</u>	<u>332</u>

## Notes to the financial statements (continued)

### 13. Share capital

	30 June 2012 £'000	30 June 2011 £'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 2011	624	20,882	21,506
Profit for the financial year	-	3,754	3,754
Realisation of revaluation reserve	(71)	71	-
	<hr/>	<hr/>	<hr/>
<b>At 30 June 2012</b>	<b>553</b>	<b>24,707</b>	<b>25,260</b>
	<hr/>	<hr/>	<hr/>



## Notes to the financial statements (continued)

### 15. Reconciliation of movement in shareholders' funds

	30 June 2012 £'000	30 June 2011 £'000
Profit for the financial year	3,754	3,571
<b>Net addition to shareholders' funds</b>	<b>3,754</b>	<b>3,571</b>
Shareholders' funds at the beginning of the year	21,632	18,061
<b>Shareholders' funds at the end of the year</b>	<b>25,386</b>	<b>21,632</b>

### 16. Commitments

At 30 June 2012 the company had minimum annual commitments under non-cancellable operating leases as follows:

	30 June 2012			30 June 2011		
	Plant & Machinery £'000	Other vehicles £'000	Total £'000	Plant & Machinery £'000	Other vehicles £'000	Total £'000
<b>Annual payments under leases expiring:</b>						
From one to five years	46	2	48	73	-	73
Within one year	-	5	5	-	12	12
	<u>46</u>	<u>7</u>	<u>53</u>	<u>73</u>	<u>12</u>	<u>85</u>

Capital expenditure commitments not provided for in these financial statements are estimated at £137,000 (2011 - £110,000).

At 30 June 2012 the company had purchase commitments originating from purchase orders totalling £12,503,000 (2011 - £10,472,000).

## **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.

<b>Description</b>	<b>Potential Value of Liability £'000</b>
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.