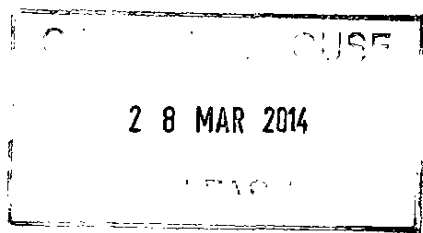


Diageo Global Supply IBC Limited

Financial statements 30 June 2013

Registered number: NI 003038



Diageo Global Supply IBC Limited
Registered number: NI 003038
Year ended 30 June 2013

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Diageo Global Supply IBC Limited
Registered number: NI 003038
Year ended 30 June 2013

Directors and other information

Directors

Mr. D. Heginbottom
Mr. D. Light
Ms. S. Moore
Mr. P. Tunnacliffe
Mr. D. Varian
Mr. A. Waldron
Mr. J. Watson

Company Secretary

Mrs. C. McCormick

Registered office

58 Boucher Road
Belfast
BT12 6HR
Northern Ireland

Auditor

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 2013.

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 2013

The development and performance of the business of the company was, for the year ended 30 June 2013, entirely dependent on the respective demands of the Diageo subsidiaries with whom it trades.

Sales revenue slightly decreased compared to the previous year by 4%. This decrease is an effect of fall of export sales revenue by 4% and also reduction in domestic sales revenue by 4%. This total reduction is attributable to changes in pricing and product mix.

Financial and other key performance indicators

The directors do not consider that 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 2013

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 20 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 2013 are shown on page 7.

No dividend was paid during the year (2012 - £nil).

The profit for the year transferred to reserves is £3,181,000 (2012 - profit of £3,754,000 transferred to reserves).

Directors' report (continued)

Business review (continued)

Financial risk management - liquidity risk

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Financial

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No dividend was paid during the year (2012 - £nil).

The profit for the year transferred to reserves is ££3,181,000 (2012 - profit of £3,754,000 transferred to reserves).

Directors' report (continued)

Directors

The directors who held office during the year were as follows:

Mr. D. Heginbottom
Mr. I. Hockney
Mr. D. Light
Ms. S. Moore
Mr. P. Tunnacliffe
Mr. D. Varian
Mr. J. Watson (appointed 14 May 2013)

Mr. I. Hockney was resigned as a director and Mr. A. Waldron was appointed as a director of the company on 1 August 2013.

Directors' remuneration

None of the directors received any remuneration during the year in respect of their services as directors of the company (2012 - £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 2013, in respect of the company, is 64 days (2012 - 65 days).

Auditor

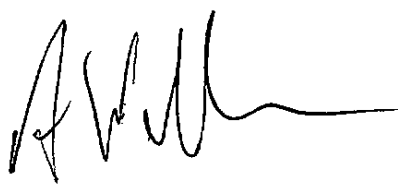
Pursuant to Section 487 of the Companies Act 2006, the auditor, KPMG, is deemed to be reappointed and will continue in office.

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

A. Waldron
Director



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
Audit
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 2013 set out on pages 7 to 23 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 5, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 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.

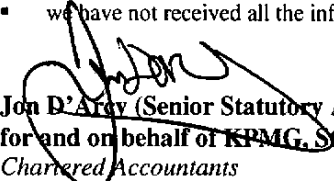
Opinion on other matter prescribed by the Companies Act 2006

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

17 December 2013

Profit and loss account

	<i>Notes</i>	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Turnover	<i>1</i>	69,875	72,966
Operating costs	<i>2-4</i>	(66,548)	(69,493)
Operating profit		<u>3,327</u>	<u>3,473</u>
Disposal of fixed assets	<i>5</i>	(3)	-
Net interest payable	<i>6</i>	(423)	(259)
Profit on ordinary activities before taxation		<u>2,901</u>	<u>3,214</u>
Taxation on profit on ordinary activities	<i>7</i>	280	540
Profit for the financial year		<u><u>3,181</u></u>	<u><u>3,754</u></u>

The accounting policies and other notes on pages 10 to 23 form part of the financial statements.

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.

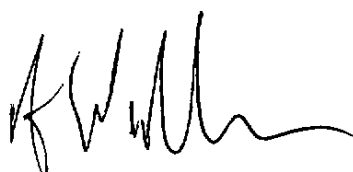
Balance sheet

		30 June 2013		30 June 2012	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	8		14,721		16,749
Current assets					
Stocks	9	2,893		2,276	
Debtors	10	22,343		16,799	
		<u>25,236</u>		<u>19,075</u>	
Creditors: due within one year	12	<u>(10,684)</u>		<u>(9,633)</u>	
Net current assets			14,552		9,442
Total assets less current liabilities			<u>29,273</u>		<u>26,191</u>
Deferred income	13		(373)		(473)
Provisions for liabilities	14		(333)		(332)
Net assets			<u>28,567</u>		<u>25,386</u>
Capital and reserves					
Called up share capital	15		126		126
Revaluation reserve	16		482		553
Profit and loss account	16		27,959		24,707
Shareholders' funds	17		<u>28,567</u>		<u>25,386</u>

The accounting policies and other notes on pages 10 to 23 form part of the financial statements.

These financial statements on pages 7 to 23 were approved by the board of directors on 17/12/13 and were signed on its behalf by:

A. Waldron
Director



Note of historical cost profits and losses

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Profit on ordinary activities before taxation	2,901	3,214
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	71	71
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	2,972	3,285
	<hr/>	<hr/>
Historical cost profit for the year	2,972	3,825
	<hr/>	<hr/>

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 on a consistent and reasonable basis 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.

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. Exchange gains and losses are taken to the profit and loss account.

Accounting policies (continued)

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	- 3-20 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.

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.

Accounting policies (continued)

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 2013 £'000	Year ended 30 June 2012 £'000
United Kingdom	9,829	10,189
Republic of Ireland	60,046	62,777
	<hr/>	<hr/>
	69,875	72,966
	<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 £69,495,000 (2012 - £72,527,000).

2. Operating costs

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Increase in stocks of finished goods and work in progress	(618)	(295)
Raw materials and consumables	56,004	57,375
Staff costs (note 3)	5,769	5,598
Other external charges (a)	3,088	4,006
Depreciation and other amounts written off fixed assets	2,405	2,918
Government grant amortisation	(100)	(109)
	<hr/>	<hr/>
	66,548	69,493
	<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 £149,000 (2012 - £182,000); other lease rentals of £94,000 (2012 - £97,000); maintenance costs of £678,000 (2012 - £853,000); contracted staff cost of £195,000 (2012 - £110,000).

The auditor's remuneration of £14,000 (2012 - £18,000), 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 (2012 - £nil).

3. Staff costs

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

	Year ended 30 June 2013	Year ended 30 June 2012
Production	118	121
Corporate and administration	14	15
Selling and distribution	10	10
	<hr/>	<hr/>
	142	146
	<hr/>	<hr/>

The aggregate remuneration of all employees comprised:

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Wages and salaries	4,176	4,097
Employer's pension costs	1,147	1,128
Employer's social security costs	361	356
Other employment costs	85	17
	<hr/>	<hr/>
	5,769	5,598
	<hr/>	<hr/>

Notes to the financial statements (continued)

3. Staff costs (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 on a consistent and reasonable basis between individual companies in the Diageo group and therefore the company accounts for its obligations as if they were defined contribution schemes. The company made cash contributions of £1,147,000 to the schemes in respect of its employees in the year ended 30 June 2013 (2012 - £1,128,000).

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 2013. However, the amounts referred to are not all attributable to the company.

4. Directors' remuneration

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2012 - £nil).

All the directors were paid by fellow group undertakings.

5. Disposal of fixed assets

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Loss on the sale of:		
Plant and machinery	(3)	-
	<u> </u>	<u> </u>

The tax charge on these items amounted to £693 (2012 - £nil).

6. Net interest payable

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Interest payable on:		
Loans from fellow group undertakings	(486)	(345)
Interest receivable on:		
Loans to fellow group undertakings	63	86
	<u> </u>	<u> </u>
Net interest payable	(423)	(259)
	<u> </u>	<u> </u>

Notes to the financial statements (continued)

7. Taxation

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
(i) Analysis of taxation credit for the year		
Current tax	-	-
Deferred tax		
Credit for the year	550	662
Adjustment in respect of prior years	-	3
Effect of changes of tax rates	(270)	(125)
	<hr/>	<hr/>
Total deferred tax	280	540
	<hr/>	<hr/>
Taxation on profit on ordinary activities	280	540
	<hr/> <hr/>	<hr/> <hr/>

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
(ii) Factors affecting current tax charge for the year		
Profit on ordinary activities before taxation	2,901	3,214
	<hr/>	<hr/>
Taxation on profit on ordinary activities at UK corporation tax rate of 23.75% (2012 - 25.5%)	(689)	(820)
Accelerated capital allowances and other timing differences	(550)	(662)
Income not taxable and expenses not deductible for tax purposes	(51)	(67)
Group relief claimed for nil consideration	1,290	1,549
	<hr/>	<hr/>
Current ordinary tax charge for the year	-	-
	<hr/> <hr/>	<hr/> <hr/>

Factors which may affect future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. It is expected that this will reduce the company's future current tax charge and future deferred tax asset accordingly.

Notes to the financial statements (continued)

8. Fixed assets – tangible assets

	Land and buildings £'000	Plant and machinery £'000	Returnable packaging £'000	Assets in course of construction £'000	Total £'000
Cost					
At 30 June 2012	7,381	28,122	2,772	724	38,999
Additions	7	373	-	-	380
Disposals	-	(534)	(512)	-	(1,046)
Transfers	159	519	-	(678)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2013	7,547	28,480	2,260	46	38,333
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 30 June 2012	3,569	16,110	2,571	-	22,250
Provided during the year	300	2,008	97	-	2,405
Disposals	-	(531)	(512)	-	(1,043)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2013	3,869	17,587	2,156	-	23,612
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 30 June 2013	3,678	10,893	104	46	14,721
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2012	3,812	12,012	201	724	16,749
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements (continued)

8 Fixed assets – tangible assets (continued)

The total cost or valuation for land and buildings comprises:

	30 June 2013	30 June 2012
	£'000	£'000
At cost	4,683	4,517
At 1989 professional valuation	2,864	2,864
	<u>7,547</u>	<u>7,381</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:

	30 June 2013	30 June 2012
	£'000	£'000
Historical cost	6,030	5,865
Aggregated depreciation based on historical cost	(2,834)	(2,605)
	<u>3,196</u>	<u>3,260</u>

	30 June 2013	30 June 2012
	£'000	£'000
Freehold	<u>3,750</u>	<u>3,812</u>

Notes to the financial statements (continued)

9. Stocks

	30 June 2013	30 June 2012
	£'000	£'000
Raw materials and consumables	1,377	1,202
Finished goods and goods for resale	1,516	1,074
	<u>2,893</u>	<u>2,276</u>

10. Debtors

	30 June 2013		30 June 2012	
	Due within	Due after	Due within	Due after
	one year	one year	one year	one year
	£'000	£'000	£'000	£'000
Trade debtors	12	-	13	-
Amounts owed by fellow group undertakings	20,249	-	14,927	-
Other debtors	83	-	100	-
Other prepayments and accrued income	69	-	109	-
Deferred taxation (note 11)	-	1,930	-	1,650
	<u>20,413</u>	<u>1,930</u>	<u>15,149</u>	<u>1,650</u>

Debtors are disclosed net of provisions of £nil (2012 - £nil) for bad and doubtful debts.

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

11. Deferred taxation

	30 June 2013	30 June 2012
	£'000	£'000
Accelerated capital allowances	1,930	1,650
Deferred tax asset	<u>1,930</u>	<u>1,650</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 (2012 - £nil).

Notes to the financial statements (continued)

12. Creditors: due within one year

	30 June 2013	30 June 2012
	£'000	£'000
Trade creditors	5,237	5,268
Amounts owed to fellow group undertakings	4,031	3,511
Accruals and deferred income	842	754
Other creditors	574	100
	<hr/>	<hr/>
	10,684	9,633
	<hr/>	<hr/>

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

13. Deferred income

Government Grants	30 June 2013	30 June 2012
	£'000	£'000
At 30 June 2012	473	582
Release for the year	(100)	(109)
	<hr/>	<hr/>
At 30 June 2013	373	473
	<hr/>	<hr/>

14. Provisions for liabilities

	Restructuring	Other	Total
	£'000	£'000	£'000
At 30 June 2012	317	15	332
Provided during the year	-	14	14
Released	-	(13)	(13)
	<hr/>	<hr/>	<hr/>
At 30 June 2013	317	16	333
	<hr/>	<hr/>	<hr/>

Notes to the financial statements (continued)

15. Share capital

	30 June 2013 £'000	30 June 2012 £'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.

16. Reserves

	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 30 June 2012	553	24,707	25,260
Profit for the financial year	-	3,181	3,181
Realisation of revaluation reserve	(71)	71	-
	<hr/>	<hr/>	<hr/>
At 30 June 2013	482	27,959	28,441
	<hr/>	<hr/>	<hr/>

Notes to the financial statements (continued)

17. Reconciliation of movement in shareholders' funds

	30 June 2013 £'000	30 June 2012 £'000
Profit for the financial year	3,181	3,754
Net addition to shareholders' funds	3,181	3,754
Shareholders' funds at the beginning of the year	25,386	21,632
Shareholders' funds at the end of the year	28,567	25,386

18. Commitments

At 30 June 2013 the company had minimum annual commitments under non-cancellable operating leases as follows:

	30 June 2013			30 June 2012		
	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	111	18	129	46	2	48
Within one year	-	-	-	-	5	5
	<u>111</u>	<u>18</u>	<u>129</u>	<u>46</u>	<u>7</u>	<u>53</u>

Capital expenditure commitments not provided for in these financial statements are estimated at £121,000 (2012 - £137,000).

At 30 June 2013 the company had purchase commitments originating from purchase orders totalling £11,511,000 (2012 - £12,503,000).

Notes to the financial statements (continued)

19. 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
Grant for installation of Shrink wrapper and upgrade of tank farm which may be repayable if assets are disposed or moved or if the number of employees falls below 116.	447

20. 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.