

Diageo Northern Ireland Limited  
(formerly known as  
Guinness Northern Ireland Limited)

Financial statements

Year ended 30 June 2002

Companies registration number NI 3755





# Diageo Northern Ireland Limited

(formerly known as Guinness Northern Ireland Limited)

## Directors' report and financial statements

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**Diageo Northern Ireland Limited**  
(formerly known as Guinness Northern Ireland Limited)

**Directors and other information**

<b>Directors</b>	Mr SJ Magorrian Mr CD Coase Mr BC Duffy Mr G Penny
<b>Secretary</b>	Mr JP McLoughlin
<b>Auditors</b>	KPMG Chartered Accountants Stokes House 17/25 College Square East Belfast
<b>Bankers</b>	Bank of Ireland Limited Donegall Place Belfast
<b>Solicitors</b>	Shean Dickson Merrick 14 High Street Belfast
<b>Registered office</b>	PO Box No. 50 Apollo Road Adelaide Industrial Estate Belfast BT12 6JP
<b>Companies registration number</b>	NI 3755

## Diageo Northern Ireland Limited (formerly known as Guinness Northern Ireland Limited)

### Directors' report

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 30 June 2002.

### Principal activities and review of the business

The company's activity is the sale and distribution of stout, lager and ales. The company continues to trade profitably and the directors are confident that profitability can be maintained.

### Results and dividends

The results for the year ended 30 June 2002 are shown on page 6.

No dividends were paid during the year.

### Market value of land and buildings

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

### Directors and directors' interests

The directors who held office during the year were:-

Mr EP Baxter (resigned 8 March 2002)  
Mr SJ Magorian  
Mr BC Duffy (appointed 1 February 2002)  
Mr CD Coase (appointed 1 February 2002)  
Mr G Penny (appointed 25 April 2002)

There are no directors' interests requiring disclosure under the Companies (Northern Ireland) Order 1986.

### Political and charitable contributions

No political donations were made during the year. Charitable donations amounted to £49,322 (2001: £51,350).

## Diageo Northern Ireland Limited (formerly known as Guinness Northern Ireland Limited)

### Directors' report (*continued*)

#### **Future developments**

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

#### **Employment policy**

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

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

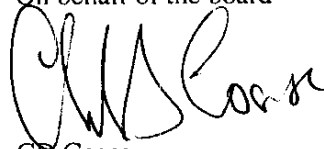
#### **Payment policy**

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

#### **Auditors**

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

On behalf of the board



CD Coase  
Director

23 April 2003

## Diageo Northern Ireland Limited (formerly known as Guinness Northern Ireland Limited)

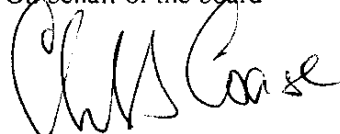
### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



CD Coase  
Director

23 April 2003



**Chartered Accountants**

Stokes House  
College Sq. East  
Belfast BT1 6DH  
Northern Ireland

**Independent auditors' report to the members of Diageo Northern Ireland Limited  
(formerly known as Guinness Northern Ireland Limited)**

We have audited the financial statements on pages 6 to 18.

This report is made solely to the company's members as a body in accordance with article 243 of the Companies (Northern Ireland) Order 1986. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable Northern Ireland law and accounting standards. Our responsibilities, as independent auditors, are established in Northern Ireland by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Northern Ireland) Order 1986. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

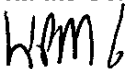
**Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2002 and of the profit for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.

  
**KPMG**  
Chartered Accountants  
Registered Auditors

23 April 2003



**Diageo Northern Ireland Limited**  
(formerly known as Guinness Northern Ireland Limited)

**Profit and loss account**  
*Year ended 30 June 2002*

	<i>Note</i>	<b>2002</b> <b>£000</b>	<b>2001</b> <b>£000</b> <i>As restated</i>
<b>Turnover</b> - continuing operations	2	<b>67,464</b>	71,171
Operating costs	3	<b>(65,029)</b>	(65,571)
<b>Operating profit</b> - continuing operations		<b>2,435</b>	5,600
Exceptional items	4	<b>(1,423)</b>	-
Interest receivable/(payable)	5	<b>5,365</b>	5,053
<b>Profit on ordinary activities before taxation</b>		<b>6,377</b>	10,653
Taxation on profit on ordinary activities	6	<b>(85)</b>	212
<b>Profit for the financial year</b>	16	<b>6,292</b>	10,865

The notes on pages 9 to 19 form part of these financial statements.



**Diageo Northern Ireland Limited**  
(formerly known as Guinness Northern Ireland Limited)

**Note of historical cost profits and losses**  
*Year ended 30 June 2002*

	<i>Note</i>	<b>2002</b> <b>£000</b>	<b>2001</b> <b>£000</b> <i>As restated</i>
<b>Reported profit on ordinary activities before taxation</b>		<b>6,377</b>	10,653
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	16	8	8
<b>Historical cost profit on ordinary activities before taxation</b>		<b>6,385</b>	10,661
<b>Historical cost profit for the year retained after taxation and dividends</b>		<b>6,300</b>	10,873

**Statement of total recognised gains and losses**  
*Year ended 30 June 2002*

		<b>2002</b> <b>£000</b>	<b>2001</b> <b>£000</b> <i>As restated</i>
Profit for the financial year		<b>6,292</b>	10,865
<b>Total recognised gains and losses for the year</b>		<b>6,292</b>	-
Prior year adjustment	14	380	-
<b>Total gains and losses recognised since the last annual report</b>		<b>6,672</b>	10,865

# Diageo Northern Ireland Limited

(formerly known as Guinness Northern Ireland Limited)

## Balance sheet

At 30 June 2002

	Note	2002		2001	
		£000	£000	£000	£000
				<i>As restated</i>	
<b>Fixed assets</b>					
Tangible assets	9		4,881		5,270
Investments	10		30,746		26,671
			<hr/>		<hr/>
			35,627		31,941
<b>Current assets</b>					
Stocks	11	403		1,398	
Debtors	12	161,263		124,392	
Cash at bank and in hand		2,379		560	
		<hr/>		<hr/>	
		164,045		126,350	
<b>Creditors: amounts falling due within one year</b>	13	(161,093)		(126,004)	
		<hr/>		<hr/>	
<b>Net current assets</b>			2,952		346
			<hr/>		<hr/>
<b>Net assets</b>			38,579		32,287
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	15	-		-	
Revaluation reserve	16	407		415	
Profit and loss account	16	38,172		31,872	
		<hr/>		<hr/>	
<b>Equity shareholders' funds</b>	17		38,579		32,287
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 23 April 2003.

On behalf of the board



CD Coase

Director

The notes on pages 9 to 19 form part of these financial statements.

# Diageo Northern Ireland Limited

(formerly known as Guinness Northern Ireland Limited)

## Notes

(forming part of the financial statements)

### 1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of accounting*

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

#### *Depreciation of tangible fixed assets*

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

Tangible assets (other than land) are depreciated on a straight line basis at annual rates estimated to write off their book value over the term of their useful lives. Details of depreciation rates are given in Note 9.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost represents the invoiced cost of goods purchased for resale.

#### *Taxation*

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

#### *Foreign currencies*

Assets and liabilities in foreign currencies have been converted to sterling using the rates of exchange ruling at the balance sheet date. Exchange differences arising from currency conversions in the normal course of trading are dealt with in the profit and loss account.

#### *Pensions*

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

# Diageo Northern Ireland Limited

(formerly known as Guinness Northern Ireland Limited)

## Notes (continued)

### 2 Turnover

Turnover represents the net amounts receivable including duties where applicable but excluding value added tax.

	2002 £000	2001 £000
The following table analyses turnover by customer located at each territory:		
United Kingdom	67,464	71,171

### 3 Operating costs

	2002 £000	2001 £000
Change in stocks of finished goods	995	(230)
Raw materials and consumables	61,163	66,990
Staff costs (Note 7)	4,507	4,013
Depreciation	1,111	1,076
Other operating charges	8,334	6,371
Other operating income	(11,081)	(12,649)
	65,029	65,571
	£000	£000
Net operating costs are after charging/(crediting):		
Hire of assets - operating leases	-	50
Auditors' remuneration:		
Audit	4	5
Other services	1	5
Decrease in provision against trade loans	-	-
Profit on disposal of fixed assets	(14)	(55)

# Diageo Northern Ireland Limited

(formerly known as Guinness Northern Ireland Limited)

## Notes (continued)

### 4 Exceptional items

	2002 £000	2001 £000
Redundancy costs/provisions	435	-
Temporary location costs as a result of reorganisation	988	-
	<u>1,423</u>	<u>-</u>

The above costs are as a result of the reorganisation of companies within the Diageo plc group.

### 5 Interest receivable/(payable)

	2002 £000	2001 £000
Bank interest and charges payable	(1,187)	(1,540)
Interest receivable on fixed asset investments	911	1,236
Other interest receivable	5,641	5,357
	<u>5,365</u>	<u>5,053</u>

### 6 Taxation on profit on ordinary activities

	2002 £000	2001 £000
<b>Analysis of charge in the year</b>		<i>As restated</i>
<i>Corporation tax:</i>		
Prior years over provision	(3)	-
<i>Deferred tax:</i>		
Deferred tax charge- current year	484	-
Deferred tax credit- prior year	(396)	-
Prior year adjustment (note 14)	-	(212)
<b>As restated</b>	<u>88</u>	<u>(212)</u>
<b>Tax charge/(credit) on profit on ordinary activities</b>	<u>85</u>	<u>(212)</u>

# Diageo Northern Ireland Limited (formerly known as Guinness Northern Ireland Limited)

Notes (continued)

## 6 Taxation on profit on ordinary activities (continued)

### Factors affecting the current tax charge

The current tax charge for the year is lower (2001: lower) than the standard rate of corporation tax in the UK 30% (2001: 30%). The differences are explained below:

	2002 £000	2001 £000 <i>As restated</i>
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	6,377	10,653
Current tax at 30% (2001: 30%)	1,913	3,196
<i>Effects of:</i>		
Expenses not deductible for tax purposes	273	146
Capital allowances for period in excess of depreciation	340	(206)
Group relief for nil consideration	(2,526)	(3,136)
Prior year adjustment	(3)	-
	<hr/>	<hr/>
Total current tax charge	(3)	-
	<hr/>	<hr/>

## 7 Staff costs and employees

	2002 £000	2001 £000
Wages and salaries	4,192	3,650
Social security costs	315	363
Pension costs	-	-
	<hr/>	<hr/>
	4,507	4,013
	<hr/>	<hr/>

Number of employees by category of employment at end of year:

	No.	No.
Staff (including directors)	182	135
Employees	44	59
	<hr/>	<hr/>
	226	194
	<hr/>	<hr/>

# Diageo Northern Ireland Limited

(formerly known as Guinness Northern Ireland Limited)

Notes (continued)

## 8 Directors' emoluments

	2002 £000	2001 £000
Aggregate emoluments	409	488
Compensation for loss of office	347	100
	<hr/> 756	<hr/> 588

Retirement benefits are accruing to 1 (2001: 3) directors under a defined benefit scheme.

	2002 £000	2001 £000
Highest paid director:		
Total amount of emoluments	178	215
Compensation for loss of office	264	-
	<hr/> 442	<hr/> 215

# Diageo Northern Ireland Limited

(formerly known as Guinness Northern Ireland Limited)

Notes (continued)

## 9 Tangible assets

	<i>Long leasehold land and buildings</i> £000	<i>Plant and machinery</i> £000	<i>Containers &amp; vehicles</i> £000	<i>Assets in the course of construction</i> £000	<i>Total</i> £000
<b>Cost or valuation</b>					
At 1 July 2001	1,470	11,420	2,097	-	14,987
Additions	-	672	80	25	777
Disposals	-	-	(340)	-	(340)
Transfers	-	16	-	(16)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 June 2002</b>	<b>1,470</b>	<b>12,108</b>	<b>1,837</b>	<b>9</b>	<b>15,424</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 July 2001	335	8,057	1,325	-	9,717
Charge for the year	28	774	309	-	1,111
Disposals	-	-	(285)	-	(285)
Transfers	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 30 June 2002</b>	<b>363</b>	<b>8,831</b>	<b>1,349</b>	<b>-</b>	<b>10,543</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 30 June 2002	1,107	3,277	488	9	4,881
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2001	1,135	3,363	772	-	5,270
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



# Diageo Northern Ireland Limited

(formerly known as Guinness Northern Ireland Limited)

## Notes (continued)

### 9 Tangible assets (continued)

	2002 £000	2001 £000
Land and buildings - the amount shown at cost or valuation includes the following:		
At cost	370	370
At valuation in 1989	1,100	1,100
	<hr/>	<hr/>
	1,470	1,470
	<hr/>	<hr/>
	2002 £000	2001 £000
Land and buildings at valuation would have been included on an historical cost basis at:		
Cost	1,136	1,136
Depreciation	(437)	(417)
	<hr/>	<hr/>
Net book value	699	719
	<hr/>	<hr/>

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

Long leasehold	-	2.5%
Plant and machinery	-	5% to 25%
Distribution vehicles	-	17%
Motor cars	-	25%

# Diageo Northern Ireland Limited

(formerly known as Guinness Northern Ireland Limited)

Notes (continued)

## 10 Investments

	Trade loans £000
<i>Cost</i>	
At 1 July 2001	48,144
Additions	7,838
Repayments	(7,626)
Loans written off	(60)
	<hr/>
<b>At 30 June 2002</b>	<b>48,296</b>
	<hr/>
<i>Provision</i>	
Amounts provided at 1 July 2001	651
Written off	(60)
Decrease in provision	-
	<hr/>
<b>At 30 June 2002</b>	<b>591</b>
	<hr/>
<b>Net book value at 30 June 2002</b>	<b>47,705</b>
	<hr/>
Less loan transfers	(16,959)
	<hr/>
<b>At 30 June 2002</b>	<b>30,746</b>
	<hr/>
At 30 June 2001	26,671
	<hr/>

The company has entered into a sub participation agreement with a bank whereby it has taken a 100% sub participation in certain agreed loans totalling £36.940 million. By separate agreement, the bank can require the company to replace a non recoverable loan with an alternative loan up to a maximum amount of £7.388 million, being 20% of the total participation, and this is the maximum amount of loss that the company is obliged to support.

## 11 Stocks

	2002 £000	2001 £000
Goods purchased for resale	403	1,398
	<hr/>	<hr/>

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

# Diageo Northern Ireland Limited

(formerly known as Guinness Northern Ireland Limited)

Notes (continued)

## 12 Debtors

	2002 £000	2001 £000 <i>As restated</i>
Trade debtors	6,896	6,307
Amounts owed by group undertakings	149,469	112,866
Other debtors	237	273
Prepayments and accrued income	2,401	2,601
Corporation tax	2,125	2,122
Deferred taxation (note 14)	135	223
	<hr/>	<hr/>
	161,263	124,392
	<hr/>	<hr/>

## 13 Creditors: amounts falling due within one year

	2002 £000	2001 £000
Trade creditors	2,389	1,476
Amounts owed to group undertakings	159,968	122,488
Other taxes and social security	(2,741)	1,461
Other creditors	27	52
Accruals and deferred income	1,450	527
	<hr/>	<hr/>
	161,093	126,004
	<hr/>	<hr/>

## 14 Deferred taxation

### *Prior year adjustment – change in accounting policy*

Financial Reporting Standard No. 19: Deferred tax (FRS 19), issued by the Accounting Standards Board, became effective for accounting periods ending on or after 23 January 2002. This standard requires full provision to be made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation. It only requires recognition when the resulting deferred tax can be justified as an asset or liability in its own right, thus excluding, for example, deferred tax on periodic revaluations of fixed assets. The standard allows the optional discounting of all or none of the deferred tax assets and liabilities, and the company has elected not to discount. The adoption of FRS 19 represents a change in accounting policy and as such has been accounted for as a prior year adjustment and previously reporting figures for 2001 have been restated.

The effect has been to increase/(decrease) the company deferred tax charge, and to (decrease)/increase the profit after tax, for the year ended 30 June 2002 by £218,000 (30 June 2001: £212,000) and to increase profit and loss account reserves by £380,000 at 30 June 2001.

**Diageo Northern Ireland Limited**  
(formerly known as Guinness Northern Ireland Limited)

Notes (continued)

**14 Deferred taxation (continued)**

	2002 £000	2001 £000 <i>As restated</i>
At 1 July	223	(157)
Prior year adjustment – change in accounting policy	-	168
	<hr/>	<hr/>
<b>As restated</b>	<b>223</b>	<b>11</b>
Charge for year (note 6)	(88)	212
	<hr/>	<hr/>
At 30 June (note 12)	135	223
	<hr/>	<hr/>

The elements of deferred tax are as follows:

	£000	£000
Excess of capital allowances over accumulated depreciation	162	380
Other timing differences	(27)	(157)
	<hr/>	<hr/>
Undiscounted provision	135	223
	<hr/>	<hr/>
Deferred tax asset (note 12)	135	223
	<hr/>	<hr/>

**15 Called up share capital**

	2002 £	2001 £
<b>Authorised:</b>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<b>Allotted and fully paid:</b>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>

# Diageo Northern Ireland Limited

(formerly known as Guinness Northern Ireland Limited)

Notes (continued)

## 16 Reserves

	Revaluation reserve £000	Profit and loss £000	Total £000
At 1 July 2001 (as previously reported)	415	31,492	31,907
Profit for the financial year	-	6,292	6,292
Transfer from revaluation reserve	(8)	8	-
Prior year adjustment (note 14)	-	380	380
	<hr/>	<hr/>	<hr/>
At 30 June 2002	407	38,172	38,579
	<hr/>	<hr/>	<hr/>

## 17 Movement in equity shareholders' funds

	2002 £000	2001 £000 <i>As restated</i>
Profit for the financial year	6,292	10,865
Opening equity shareholders' funds (originally £31,907,000 before adding prior year adjustment of £380,000)	32,287	21,422
	<hr/>	<hr/>
Closing equity shareholders' funds	38,579	32,287
	<hr/>	<hr/>

## 18 Capital commitments

The company had no capital commitments at the year end (2001: £Nil).

## 19 Contingent liabilities

Contingent liabilities amount to £Nil (2001: £Nil).

## 20 Leasing commitments

	2002 £000	2001 £000
At 30 June 2002 the company had annual commitments under operating leases which expires:		
Within two to five years	95	50
	<hr/>	<hr/>

## Diageo Northern Ireland Limited

(formerly known as Guinness Northern Ireland Limited)

### Notes *(continued)*

#### **21 Pension scheme**

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

#### **22 Holding company**

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

8 Henrietta Place  
London  
W1M 9AG

#### **23 Related party transactions**

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

#### **24 Cash flow statement**

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