Diageo Northern Ireland Limited

Financial statements
30 June 2013

Registered number: NI 003755

Diageo Northern Ireland Limited
Registered number: NI 003755
Year ended 30 June 2013

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Directors and other information

Directors	Mr. K. Gowing Mr. D. Heginbottom Mr. M. McCann Ms. S. Moore Mr. J. Nicholls Mr. P. Tunnacliffe 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 BT1 6DH
Company registration number	NI 003755

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's activity is the sale of alcoholic and other 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

Sales volume for Northern Ireland decreased by 8% compared to financial year 2012 due to challenging market conditions, in particular within the On-trade, reflecting reduced sales to pubs which declined by 9%. This had a corresponding impact on the turnover.

Financial and other key performance indicators

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

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

Directors' report (continued)

Business review (continued)

Principal risks and uncertainties facing the company as at 30 June 2013

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

The directors consider the principal risks and uncertainties the company faces to be:

- the risk of a downturn in global economy
- the risk of not retaining key employees

The directors believe that these risks are effectively managed through a strong focus on product development, employee development and rigorously identifying and realising cost efficiencies.

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.

Financial risk management

The company's funding, liquidity and exposure to foreign exchange rate risk are similar to those facing the Diageo group as a whole and are managed by the group's treasury department. The treasury department uses a range of financial instruments to manage these underlying risks.

<u>Liquidity risk</u>

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.

<u>Credit risk</u>

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

Directors' report (continued)

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 2-3. 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 company participates in the group's centralised treasury arrangements. 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 9.

A dividend of £38,100,000 (2012 - £nil) was paid during the year. The profit for the year transferred to reserves is £12,302,000 (2012 - £4,043,000).

Directors

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

Mr. K. Gowing	
Mr. D. Heginbottom	
Mr. M. McCann	
Ms. S. Moore	
Mr. J. Nicholls	(appointed 7 September 2012)
Mr. P. Tunnacliffe	
Mr. J. Watson	(appointed 7 September 2012)

Directors' remuneration

Details of the directors' emoluments are detailed in note 4 of these financial statements.

Directors' report (continued)

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 61 days (2012 - 67 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 auditor

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

M. McCann
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 Northern Ireland Limited

We have audited the financial statements of Diageo Northern Ireland Limited for the year ended 30 June 2013 set out on pages 9 to 25 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

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.

KPMG
Audit
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.

John 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

13 December 2013

Diageo Northern Ireland Limited
Registered number: NI 003755
Year ended 30 June 2013

Profit and loss account

	Notes	**Year ended 30 June 2013 £'000**	**Year ended 30 June 2012 £'000**
Turnover	*1*	134,127	147,536
Operating costs	*2-3*	(119,364)	(148,160)
Operating profit/(loss)		14,763	(624)
Net interest receivable/(payable)	*5*	291	(780)
Profit/(Loss) on ordinary activities before taxation		15,054	(1,404)
Taxation on profit/(loss) on ordinary activities	*6*	(2,752)	5,447
Profit for the financial year		12,302	4,043

The accounting policies and other notes on pages 11 to 25 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.

There is no difference between the results for the years shown in the profit and loss account and the results for the relevant years restated on an historical cost basis.

All results arise from continuing operations.

Diageo Northern Ireland Limited
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Year ended 30 June 2013

Balance sheet

	Notes	30 June 2013 £'000	30 June 2013 £'000	30 June 2012 £'000	30 June 2012 £'000
Fixed assets					
Tangible assets	*7*		2,552		2,729
Investments	*8*		11,050		22,415
			13,602		25,144
Current assets					
Stocks	*9*	3,086		4,918	
Debtors	*10*	56,583		93,067	
Cash at bank and in hand	*12*	2,090		4,581	
		61,759		102,566	
Creditors: due within one year					
Borrowings	*13*	-		(4,104)	
Other creditors	*14*	(33,396)		(37,937)	
		(33,396)		(42,041)	
Net current assets			28,363		60,525
Total assets less current liabilities			41,965		85,669
Creditors: due after one year					
Borrowings	*13*		-		(17,809)
Provisions for liabilities	*15*		(301)		(398)
Net assets			41,664		67,462
Capital and reserves					
Called up share capital	*16*	-		-	
Profit and loss account	*17*	41,664		67,462	
Shareholders' funds	*18*		41,664		67,462

The accounting policies and other notes on pages 11 to 25 form part of the financial statements.

These financial statements on pages 9 to 25 were approved by the board of directors on 13/12/13
and were signed on its behalf by:

Michael McCann

M. McCann
Director

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 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.

Advertising

Advertising costs, points of sale materials and sponsorship payments are charged to the profit and loss account when the company has a right of access to the goods or services acquired.

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)

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.

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.

Tangible fixed assets

Tangible fixed assets are depreciated on a straight-line basis to estimated residual values over their expected useful lives within the following ranges:

Buildings	-	10 years
Plant and machinery	-	3-8 years
Dispensing equipment	-	5-10 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.

Fixed asset investments

Investments are stated individually at cost less, where appropriate, provision for impairment in value where such impairment is expected by the directors to be permanent. Income from fixed asset investments is credited to the profit and loss account.

Leases

Where the company has substantially all the risks and rewards of ownership of an asset subject to a lease, the lease is treated as a finance lease. 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.

Accounting policies (continued)

Stocks

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

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.

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

The turnover and profit on ordinary activities before taxation are attributable to the packaging of beer, distribution, marketing and selling of beer and spirits, and their onward sale to third parties and fellow group undertakings.

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	134,127	147,536

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.

2. Operating costs

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Other operating income (a)	(17,749)	(2,231)
Raw materials and consumables	49,177	70,979
Excise duties	56,327	60,383
Other external charges (b)	18,787	9,090
Staff costs (note 3)	4,845	4,621
Advertising, marketing and promotion costs	5,223	4,918
Depreciation and other amounts written off fixed assets	921	850
Decrease/(increased) in stocks of finished goods and work in progress	1,833	(450)
	119,364	148,160

Notes to the financial statements (continued)

2. Operating costs (continued)

(a) **Other operating income** includes: one-off gain of £13,580,000 realized on the settlement of bank loan liability (note 13) and intercompany management income of £1,572,000 (2012 - £1,914,000).

(b) **Other external charges** include: provision for fixed asset investments of £9,688,000 (2012 - £944,000); operating lease rentals for land & building of £158,000 (2012 - £259,000); other lease rentals of £273,000 (2012 - £269,000); maintenance costs of £542,000 (2012 - £567,000); loss in respect of foreign exchange £366,000 (2012 - gain of £147,000); bad debts of £72,000 (2012 - £653,000); recharged overhead costs of £1,349,000 (2012 - £1,797,000), facility costs of £726,000 (2012 – 735,000).

Fees in respect of audit services provided by the auditor are £43,000 (2012 - £36,000). Amounts receivable by the auditor in respect of other (non-audit) services have not been disclosed as the information is required to be disclosed on a consolidated basis in the consolidated financial statements of Diageo plc.

3. Staff costs

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

	Year ended 30 June 2013	Year ended 30 June 2012
Selling and distribution	127	127

The aggregate remuneration of all employees comprised:

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Wages and salaries	3,379	3,289
Employer's pension costs	999	902
Employer's social security costs	321	334
Other employment costs	146	96
	4,845	4,621

The staff costs disclosed is net of reimbursements received from other group undertakings for work carried out by the company's employees in respect of these other group undertakings. The staff number represents the total headcount employed by the company. As a consequence the cost per employee is not directly comparable with the staff numbers disclosed.

Notes to the financial statements (continued)

3. Staff cost (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 £999,000 to the schemes in respect of its employees in the year ended 30 June 2013 (2012 - £902,000).

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

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Directors' remunerations (excluding pension contributions)	140	122
Company contributions to money purchase pension schemes	36	33
	176	155

The aggregate remuneration of the highest paid director was £173,000 (2012 - £155,000). The highest paid director is a member of a UK defined benefit scheme under which his accrued annual pension at the year-end was £36,000 (2012 - £33,000).

Some of the directors were paid by fellow group companies.

Notes to the financial statements (continued)

5. Net interest receivable

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Interest payable on:		
Bank loans and overdrafts	-	(1,363)
Loans from fellow group undertakings	(56)	(12)
Net interest payable	(56)	(1,375)
Interest receivable on:		
Loans to fellow group undertakings	183	345
Fixed asset investments	164	250
Net interest receivable	347	595
Net interest receivable/(payable)	291	(780)

6. Taxation

(i) Analysis of taxation (charge)/credit for the year	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Current tax	-	-
Deferred tax		
(Charge)/credit for the year	(1,340)	218
Adjustment in respect of prior years	(858)	5,769
Effect of changes in tax rates	(554)	(540)
Total deferred tax	(2,752)	5,447
Taxation on profit/(loss) on ordinary activities	(2,752)	5,447

Notes to the financial statements (continued)

6. Taxation (continued)

(ii) Factors affecting current tax charge for the year	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Profit/(loss) on ordinary activities before taxation	15,054	(1,404)
Taxation on profit/(loss) on ordinary activities at UK corporation tax rate of 23.75% (2012 - 25.5%)	(3,575)	358
Accelerated capital allowances and other timing differences	(220)	(218)
Expenses not deductible for tax purposes	(29)	(38)
Items not chargeable for tax purposes	2,182	-
Group relief claimed /(surrendered) for nil consideration	82	(102)
Utilisation of tax losses	1,560	-
Current ordinary tax charge for the year	-	-

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)

7. Fixed assets – tangible assets

	Land and buildings £'000	Plant and machinery £'000	Assets in course of construction £'000	Total £'000
Cost				
At 30 June 2012	-	6,021	-	6,021
Additions	126	444	174	744
Disposals	-	(326)		(326)
Transfers	-	97	(97)	-
At 30 June 2013	126	6,236	77	6,439
Depreciation				
At 30 June 2012	-	(3,292)	-	(3,292)
Provided during the year	-	(921)	-	(921)
Disposals	-	326	-	326
At 30 June 2013	-	(3,887)	-	(3,887)
Net book value				
At 30 June 2013	126	2,349	77	2,552
At 30 June 2012	-	2,729	-	2,729

Notes to the financial statements (continued)

8. Fixed assets – investments

	Trade loans
	£'000
Cost	
At 30 June 2012	49,488
New loans advanced	254
Repayments	(5,673)
Write-off	(6,059)
At 30 June 2013	38,010
Provisions	
At 30 June 2012	(27,073)
Provided during the year	(9,688)
Transfer	1,132
Write-off	6,059
Release	2,610
At 30 June 2013	(26,960)
Net book value	
At 30 June 2013	11,050
At 30 June 2012	22,415

Notes to the financial statements (continued)

9. Stocks

	30 June 2013 £'000	30 June 2012 £'000
Finished goods and goods for resale	3,086	4,918

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

10. Debtors

	30 June 2013		30 June 2012	
	Due within one year £'000	Due after one year £'000	Due within one year £'000	Due after one year £'000
Amounts owed by fellow group undertakings	24,115	-	49,785	-
Other debtors	13,912	-	19,824	-
Trade debtors	14,778	-	16,504	-
Other prepayments and accrued income	-	-	424	-
Deferred taxation (note 11)	-	3,778	-	6,530
	52,805	3,778	86,537	6,530

Debtors are disclosed net of provisions of £1,503,000 (2012 - £1,506,000) for bad and doubtful debts.

Notes to the financial statements (continued)

11. Deferred taxation

	30 June 2013 £'000	30 June 2012 £'000
Accelerated depreciation	1,249	1,205
Losses	2,529	5,325
Deferred tax asset	3,778	6,530

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).*

12. Cash

The company has entered into a joint and several guarantee with certain other Diageo UK group undertakings such that any balance on the company's bank accounts within the cashpool may be offset against the bank balances or overdrafts of those companies included in the cashpool. The amount shown in the balance sheet of 30 June 2013 includes bank accounts outside the cash-pool amounting to £2,090,000 (2012 - £4,581,000).

13. Borrowings

Bank loans and overdrafts

	30 June 2013 £'000	30 June 2012 £'000
Analysis of debt maturity		
From two to five years	-	13,921
From one to two years	-	3,888
Due after one year	-	17,809
Due within one year	-	4,104
Total borrowings	-	21,913

On 19 July 2012 Diageo Northern Ireland Limited terminated the loan arrangement in respect of the loan portfolio which was syndicated to Bank of Scotland (Ireland) Limited, at a significant discount. The financial statements recognise the gain on this transaction of £13,580,000.

Notes to the financial statements (continued)

14. Other creditors – due within one year

	30 June 2013 £'000	30 June 2012 £' 000
Amounts owed to fellow group undertakings	19,837	21,439
Other taxation including social security	5,469	7,292
Accruals and deferred income	4,935	5,128
Trade creditors	2,756	3,732
Other creditors	399	346
	33,396	37,937

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

15. Provisions for liabilities

	Restructuring £'000	Other £'000	Total £'000
At 30 June 2012	160	238	398
Provided during the year	43	48	91
Released	(160)	(28)	(188)
At 30 June 2013	43	258	301

Notes to the financial statements (continued)

16. Share capital

	30 June 2013 £	30 June 2012 £
Allotted, called up and fully paid:		
100 ordinary shares of £1 each	100	100

17. Reserves

	Profit and loss account £'000
At 30 June 2012	67,462
Profit for the financial year	12,302
Dividends paid	(38,100)
At 30 June 2013	41,664

18. Reconciliation of movement in shareholders' funds

	30 June 2013 £'000	30 June 2012 £'000
Profit for the financial year	12,302	4,043
Dividends paid	(38,100)	-
Net (reduction in)/addition to shareholders' funds	(25,798)	4,043
Shareholders' funds at the beginning of the year	67,462	63,419
Shareholders' funds at the end of the year	41,664	67,462

Notes to the financial statements (continued)

19. Commitments

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

	30 June 2013			30 June 2012		
	Land and buildings	Other	Total	Land and buildings	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Annual payments under leases expiring:						
From one to five years	105	208	313	272	198	470
Within one year	2	45	47	-	27	27
	107	253	360	272	225	497

Capital expenditure commitments not provided for in these financial statements are estimated at £38,000 (2012 - £nil).

At 30 June 2013, the company had purchase commitments originating from purchase orders totalling £4,674,000 (2012 - £850,000).

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.