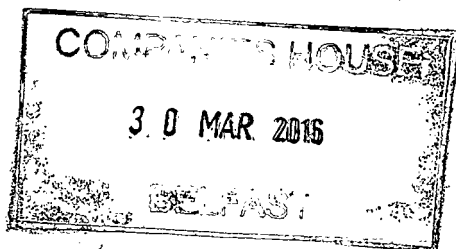


Diageo Northern Ireland Limited

Financial statements 30 June 2015

Registered number: NI 003755



Diageo Northern Ireland Limited
Registered number: NI 003755
Year ended 30 June 2015

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Strategic report	2
Director's report	4
Statement of directors' responsibilities	6
Independent auditors' report	7
Profit and loss account	9
Balance Sheet	10
Accounting policies	11
Notes to the financial statements	14

Directors and other information

Directors

Mr. R. Cowan
Mr. K. Gowing
Mr. J. Lopes

Secretary

Mrs. A. Kenealy

Joint secretary

Ms. C. McDonnell

Registered office

Third Floor Capital House
3 Upper Queen Street
Belfast
Northern Ireland

Auditors

KPMG
Chartered Accountants
Stokes House
17/25 College Square East
Belfast
BT1 6DH

Company registration number

NI 003755

Strategic report

The directors have pleasure to present their strategic report for the year ended 30 June 2015.

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 2015

The business performed satisfactorily in the year in a competitive market place for both beers and spirits. The business grew share and volumes in both categories whilst turnover was depressed by lower pricing. The results also reflect the disposal of the Bushmills brand during the year and the decision to cease distribution of wine in the prior year.

Financial and other key performance indicators

The principal key performance indicators used by management to operate the business are turnover, operating profit and cash.

Turnover declined due to a declining beer and spirits marketplace somewhat offset by improved market share, the disposal of the Bushmills brand and cessation of our wines business. Operating profit margins were maintained by effective cost control and cash flow benefited from strong management of working capital.

Principal risks and uncertainties facing the company as at 30 June 2015

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 and local economy;
- the risk of not retaining key employees; and
- the risk posed by a rising cost base to purchase and distribute the products.

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.

Strategic report (continued)

Business review (continued)

Financial risk management

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

Liquidity risk

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

Credit risk

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

By order of the board

J. Lopes
Director



2 December 2015

Directors' report

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 30 June 2015.

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the strategic report on page 2-3. The company is expected to continue to generate profit for its own account and to remain in a 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 2015 are shown on page 9.

The profit for the year transferred to reserves is £2,516,000 (2014 - £1,894,000).

A dividend of £18,000,000 (2014 - £10,000,000) was paid during the year.

Directors

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

Mr. R. Cowan	(appointed 5 February 2015)
Mr. K. Gowing	
Mr. D. Heginbottom	(resigned 1 September 2014)
Mr. J. Lopes	
Mr. M. McCann	(resigned 18 August 2014)
Ms. S. Moore	(resigned 15 August 2014)
Mr. J. Nicholls	(resigned 26 August 2014)
Mr. P. Tunnacliffe	(resigned 29 August 2014)
Mr. J. Watson	(resigned 18 August 2014)

Secretary

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

Mrs. C. McCormick	(resigned 31 October 2014)
Mrs. A. Kenealy	(appointed 31 October 2014)

Ms. C. McDonnell was appointed as joint secretary, effective 31 March 2015.

Directors' remuneration

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

Directors' report (continued)

Auditor

Following a tender conducted during the year, PricewaterhouseCoopers LLP were selected as auditor of the Diageo group. Accordingly, it is the intention that PricewaterhouseCoopers LLP will be appointed in place of KPMG with effect for the year ending 30 June 2016.

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

J. Lopes
Director

A handwritten signature in black ink, appearing to be 'J. Lopes', written over a large, loopy circular flourish.

2 December 2015

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the strategic report, 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.

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 2015 which comprise the profit and loss account, the balance sheet, the accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 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.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below

In our opinion, the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

3 We have nothing to report in respect of matters on which we are required to report by exception

Under ISAs (UK and Ireland), we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006, we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of the above responsibilities.

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Directors' Responsibilities 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 and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

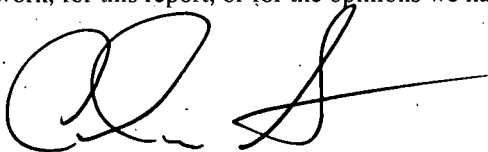
Independent auditor's report to the members of Diageo Northern Ireland Limited (continued)

An audit undertaken in accordance with ISAs (UK & Ireland) 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's 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.



Colm O'Sé (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
17 – 25 College Square East
Belfast
BT1 6DH

6 January 2016

Profit and loss account

	<i>Notes</i>	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Turnover	<i>1</i>	122,440	128,140
Operating costs	<i>2 - 4</i>	(119,446)	(124,817)
Operating profit		<u>2,994</u>	<u>3,323</u>
Disposal of fixed assets		(102)	-
Net interest receivable	<i>5</i>	124	150
Profit on ordinary activities before taxation		<u>3,016</u>	<u>3,473</u>
Taxation on profit on ordinary activities	<i>6</i>	(500)	(1,579)
Profit for the financial year		<u><u>2,516</u></u>	<u><u>1,894</u></u>

The accounting policies and other notes on pages 11 to 24 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.

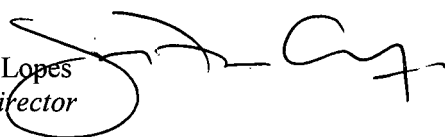
Balance sheet

		30 June 2015		30 June 2014	
	<i>Notes</i>	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	7		2,896		2,909
Investments	8		11,925		15,368
			<u>14,821</u>		<u>18,277</u>
Current assets					
Stocks	9	2,628		3,198	
Debtors	10	49,627		52,796	
Cash at bank and in hand	12	3,953		2,850	
		<u>56,208</u>		<u>58,844</u>	
Creditors: due within one year	13	<u>(52,721)</u>		<u>(43,325)</u>	
Net current assets			3,487		15,519
Total assets less current liabilities			<u>18,308</u>		<u>33,796</u>
Provisions for liabilities	14		(234)		(238)
Net assets			<u>18,074</u>		<u>33,558</u>
Capital and reserves					
Called up share capital	15	-		-	
Profit and loss account	16	18,074		33,558	
Shareholders' funds	17		<u>18,074</u>		<u>33,558</u>

The accounting policies and other notes on pages 11 to 24 form part of the financial statements.

These financial statements on pages 9 to 24 were approved by the board of directors on 2 December 2015 and were signed on its behalf by:

J. Lopes
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.

Pensions and other post employment benefits

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

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

Accounting policies (continued)

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	-	3-10 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.

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.

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.

Accounting policies (continued)

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.

Future changes to accounting policies

The Financial Reporting Council recently issued *FRS 100 – Application of Financial Reporting Requirements*, *FRS 101 – Reduced Disclosure Framework* and *FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland* which will be first effective for the company for the year ending 30 June 2016. FRS 100 sets out the overall financial reporting framework whereas FRS 101 applies to the company financial statements allowing them to apply the same accounting policies as the IFRS group accounts but with less disclosure. FRS 102 will replace the current UK GAAP standards with an IFRS based new standard and include a set of disclosure exemptions for qualifying entities formerly preparing UK GAAP financial standards. The company will adopt FRS 101 for its financial statements, for the year ending 30 June 2016. The company's assessment of the changes required to its results and financial position is ongoing.

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 2015 £'000	Year ended 30 June 2014 £'000
United Kingdom	122,440	128,140

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 2015 £'000	Year ended 30 June 2014 £'000
Other operating income (a)	(4,492)	(3,334)
Raw materials and consumables	54,440	57,103
Excise duties	51,124	52,638
Other external charges (b)	7,012	7,283
Staff costs (note 3)	5,476	5,336
Advertising, marketing and promotion costs	4,984	4,960
Depreciation and other amounts written off fixed assets (note 7)	902	831
	119,446	124,817

Notes to the financial statements (continued)

2. Operating costs (continued)

- (a) **Other operating income** includes: intercompany management income of £2,655,000 (2014 - £1,762,000) and foreign exchange gain of £806,000 (2014 - foreign exchange loss of £3,000).
- (b) **Other external charges** include: provision for fixed asset investments £649,000 (2014 - £2,365,000); operating lease rentals for land & building of £126,000 (2014 - £150,000); other lease rentals of £274,000 (2014 - £270,000); maintenance costs of £386,000 (2014 - £500,000); recharged overhead costs of £2,845,000 (2014 - £4,058,000); facility costs of £935,000 (2014 - £834,000).

Fees in respect of audit services provided by the auditor are £42,000 (2014 - £42,000). 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 2015	Year ended 30 June 2014
Selling and distribution	145	132

The aggregate remuneration of all employees comprised:

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Wages and salaries	3,707	3,751
Employer's pension costs	1,153	1,029
Employer's social security costs	373	362
Other employment costs	243	194
	<u>5,476</u>	<u>5,336</u>

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 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 £1,153,000 to the schemes in respect of its employees in the year ended 30 June 2015 (2014 - £1,029,000).

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 2015. However, the amounts referred to are not all attributable to the company.

4. Directors' remuneration

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Directors' remunerations (excluding pension contributions)	173	219
Company contributions to money purchase pension schemes	18	51
	<hr/> 191	<hr/> 270
	<hr/> <hr/>	<hr/> <hr/>

The aggregate remuneration of the highest paid director was £191,000 (2014 - £223,000). The highest paid director is a member of a UK defined benefit scheme under which his accrued annual pension at the year-end was £18,000 (2014 - £45,000).

Some of the directors were paid by fellow group companies.

Notes to the financial statements (continued)

5. Net interest receivable

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Interest payable on:		
Loans from fellow group undertakings	(23)	(25)
	<hr/>	<hr/>
Interest receivable on:		
Loans to fellow group undertakings	144	94
Fixed asset investments	3	81
	<hr/>	<hr/>
	147	175
	<hr/>	<hr/>
Net interest receivable	124	150
	<hr/>	<hr/>

6. Taxation

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
(i) Analysis of taxation charge for the year		
Current tax	-	-
Deferred tax		
Origination and reversal of differences	(625)	(749)
Adjustment in respect of prior years	102	(483)
Effect of changes in tax rates	23	(347)
	<hr/>	<hr/>
Total deferred tax	(500)	(1,579)
	<hr/>	<hr/>
Taxation on profit on ordinary activities	(500)	(1,579)
	<hr/>	<hr/>

Notes to the financial statements (continued)

6. Taxation (continued)

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
(ii) Factors affecting current tax for the year		
Profit on ordinary activities before taxation	3,016	3,473
Taxation on profit on ordinary activities at UK corporation tax rate of 20.75% (2014 - 22.50%)	(626)	(782)
Accelerated capital allowances and other timing differences	82	(185)
Expenses not deductible for tax purposes	(34)	(11)
Group relief claimed for nil consideration	31	39
Utilisation of tax losses	547	939
Current ordinary tax charge for the year	-	-

Factors which may affect future tax charges

Reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. It is expected that this will reduce the company's future current tax charge.

Notes to the financial statements (continued)

7. Fixed assets – tangible assets

	Land and buildings	Plant and machinery	Assets in course of construction	Total
	£'000	£'000	£'000	£'000
Cost				
At 30 June 2014	126	7,498	3	7,627
Additions	493	446	52	991
Disposals	(127)	-	-	(127)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2015	492	7,944	55	8,491
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 30 June 2014	13	4,705	-	4,718
Provided during the year	13	889	-	902
Disposals	(25)	-	-	(25)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2015	1	5,594	-	5,595
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 30 June 2015	491	2,350	55	2,896
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2014	113	2,793	3	2,909
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements (continued)

8. Fixed assets – investments

	Trade loans £'000
Cost	
At 30 June 2014	24,804
New loans advanced	2,010
Repayments and redemptions	(4,804)
Loan written off	(3,285)
At 30 June 2015	18,725
Provisions	
At 30 June 2014	(9,436)
Provided during the year	(649)
Release of provision against loans written off	3,285
At 30 June 2015	(6,800)
Net book value	
At 30 June 2015	11,925
At 30 June 2014	15,368

9. Stocks

	30 June 2015 £'000	30 June 2014 £'000
Goods for resale	2,628	3,198

Stocks are disclosed net of provision of £36,000 (2014 - £38,000) for obsolescence.

Notes to the financial statements (continued)

10. Debtors

	30 June 2015		30 June 2014	
	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	30,724	-	29,561	-
Trade debtors	13,687	-	15,044	-
Other debtors	3,243	-	5,769	-
Other prepayments and accrued income	273	-	222	-
Deferred taxation (note 11)	-	1,700	-	2,200
	<u>47,927</u>	<u>1,700</u>	<u>50,596</u>	<u>2,200</u>

Trade debtors are disclosed net of provisions of £505,000 (2014 - £867,000) for bad and doubtful debts.

11. Deferred taxation

	30 June 2015 £'000	30 June 2014 £'000
Accelerated depreciation	694	1,363
Other timing differences	(2)	(4)
Losses	1,008	841
Deferred tax asset	<u>1,700</u>	<u>2,200</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 (2014 - £nil).

Notes to the financial statements (continued)

12. Cash at bank

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 2015 includes bank accounts outside the cash-pool amounting to £3,953,000 (2014 - £2,850,000).

13. Creditors: due within one year

	30 June 2015 £'000	30 June 2014 £'000
Amounts owed to fellow group undertakings	39,246	29,112
Other taxation including social security	6,679	6,241
Accruals and deferred income	3,892	5,013
Trade creditors	2,702	2,855
Other creditors	202	104
	<hr/> 52,721 <hr/>	<hr/> 43,325 <hr/>

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

14. Provisions for liabilities

	Other provisions £'000
At 30 June 2014	238
Provided during the year	29
Released	(33)
At 30 June 2015	<hr/> 234 <hr/>

15. Share capital

	30 June 2015 £	30 June 2014 £
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	<hr/> 100 <hr/>	<hr/> 100 <hr/>

Notes to the financial statements (continued)

16. Reserves

	Profit and loss account £'000
At 30 June 2014	33,558
Profit for the financial year	2,516
Dividends paid	(18,000)
At 30 June 2015	18,074

17. Reconciliation of movement in shareholders' funds

	30 June 2015 £'000	30 June 2014 £'000
Profit for the financial year	2,516	1,894
Dividends paid	(18,000)	(10,000)
Net reduction in shareholders' funds	(15,484)	(8,106)
Shareholders' funds at the beginning of the year	33,558	41,664
Shareholders' funds at the end of the year	18,074	33,558

Notes to the financial statements (continued)

18. Commitments

At 30 June 2015 the company had minimum annual commitments under non-cancellable operating leases as follows:

	30 June 2015			30 June 2014		
	Land and buildings £'000	Other £'000	Total £'000	Land and buildings £'000	Other £'000	Total £'000
Annual payments under leases expiring:						
Within one year	124	32	156	46	37	83
From one to five years	-	130	130	-	196	196
	<u>124</u>	<u>162</u>	<u>286</u>	<u>46</u>	<u>233</u>	<u>279</u>

Capital expenditure commitments not provided for in these financial statements are estimated at £9,000 (2014 - £3,000).

At 30 June 2015, the company had purchase commitments originating from purchase orders totalling £2,574,000 (2014 - £4,092,000).

19. 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, England, NW10 7HQ.