

KORK-N-SEAL LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

Registered in England No. 192723



KORK-N-SEAL LIMITED**Year ended 30 JUNE 2003****Profit and loss account**

During the financial year and the preceding financial year, the company did not trade and received no income and incurred no expenditure. Consequently during those years the company made neither a profit nor a loss, and there were no other recognised gains or losses.

Accordingly, neither a profit and loss account, a statement of recognised gains and losses, a note of historical cost profits and losses nor a reconciliation of movements in shareholders' funds has been presented.

The notes on pages 4 and 5 form part of the financial statements.

KORK-N-SEAL LIMITED**Year ended 30 JUNE 2003****Balance sheet**

	Notes	30 June 2003 £'000	30 June 2002 £'000
Fixed assets			
Tangible assets	3	350	350
Current assets			
Debtors – due within one year	4	1,492	1,492
Creditors – amounts falling due within one year	5	(8,574)	(8,574)
Total assets less current liabilities		<u>(6,732)</u>	<u>(6,732)</u>
Capital and reserves			
Called up share capital	6	158	158
Profit and loss account		(6,890)	(6,890)
Total shareholders' deficit		<u>(6,732)</u>	<u>(6,732)</u>

The notes on pages 4 and 5 form part of the financial statements.

The company did not trade during the financial year or the preceding financial year. The directors do not expect the company to trade in the foreseeable future.

The directors:

- a) confirm that the company was entitled to exemption under subsection (1) of section 249 AA of the Companies Act 1985 from the requirement to have its accounts audited for the financial year ended 30 June 2003
- b) confirm that members have not required the company to obtain an audit of its accounts for that financial year in accordance with subsection (2) of section 249B of that Act
- c) acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and
 - (ii) preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 24 April 2004 and were signed on its behalf by:



G P Crickmore
Director

KORK-N-SEAL LIMITED

Year ended 30 JUNE 2003

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies****Basis of preparation**

The financial statements of the company have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. The bases used are consistent with those used in the previous year.

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 part of the Diageo plc group ("group undertakings") or investees of the Diageo plc group.

Under Financial Reporting Standard No 1 (Revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of Diageo plc and is included in the published consolidated financial statements of Diageo plc.

Going concern

The financial statements have been prepared on a going concern basis as a fellow group undertaking has agreed to provide financial support for the foreseeable future. The only liabilities at the balance sheet date are in respect of balances due to group undertakings.

2. Profit and loss account

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2002- £ nil).

3. Fixed tangible assets – tangible assets**Freehold land and buildings**

A professional valuation of the land and buildings was carried out in 1993 by Weatherall Green & Smith which valued the property at the amount stated in the financial statements.

The historical cost for freehold land and buildings at 30 June 2003 was £1,278,000.

£'000

Net book value:

As at 30 June 2003 and 2002

350**4. Debtors – due within one year**

	30 June 2003	30 June 2002
	£'000	£'000
Amounts owed by group undertakings:		
United Distillers Property Company Limited	1,245	1,245
United Glass Holdings Limited	158	158
Grand Metropolitan Estates Limited	89	89
	<u>1,492</u>	<u>1,492</u>

KORK-N-SEAL LIMITED

Year ended 30 JUNE 2003

NOTES TO THE FINANCIAL STATEMENTS (continued)**5. Creditors: amounts falling due within one year**

	30 June 2003 £'000	30 June 2002 £'000
Amounts owed to group undertaking – Diageo plc	(8,566)	(8,566)
Accruals and deferred income	<u>(8)</u>	<u>(8)</u>
	<u>(8,574)</u>	<u>(8,574)</u>

6. Called up share capital

	30 June 2003 £'000	30 June 2002 £'000
Authorised		
Equity: 1,000,000 ordinary shares of 25p each	<u>250</u>	<u>250</u>
Allotted, called up and fully paid		
Equity: 632,232 ordinary shares of 25p each	<u>158</u>	<u>158</u>

7. Immediate and ultimate parent undertaking

The company is a wholly owned subsidiary of United Glass Holdings Limited, a company incorporated and registered in England. The company's ultimate holding 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 8 Henrietta Place, London W1G 0NB.