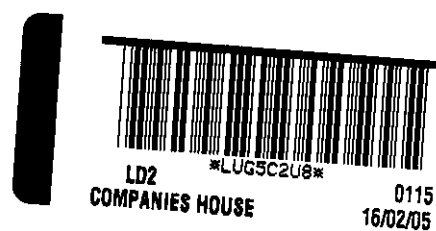


Grand Metropolitan Estates Limited

FINANCIAL STATEMENTS

30 JUNE 2004

Company Registration No. 367551



DIRECTORS' REPORT

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 30 June 2004.

Activities

The principal activity of the company was the holding and management of property interests for Diageo plc. The directors foresee no changes in the company's activities.

Financial

The results for the year ended 30 June 2004 are shown on page 6. The directors do not recommend the payment of a dividend (2003 - £nil).

The profit for the year transferred to reserves is £19,100,000 (2003 - £15,046,000).

Directors

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

P S Binning	(resigned 3 October 2003)
S M Bunn	
D C Carter	
M C Flynn	
R J Joy	(appointed 20 April 2004)
R Rajagopal	(appointed 3 October 2003)

Directors' emoluments

The emoluments of the directors are detailed in note 5 of these financial statements.

Directors' interests

No directors had any interest, beneficial or non-beneficial, in the share capital of the company or had a material interest during the year in any significant contract with the company or any subsidiary. The directors who held office at the end of the financial year had the following beneficial interests in the ordinary shares of 28 ¹⁰¹/₁₀₈ pence each in the ultimate parent company, Diageo plc:-

DIRECTORS' REPORT (continued)

Directors' interests (continued)

(i) Ordinary shares and conditional rights to ordinary shares

	Ordinary shares		Conditional rights to ordinary shares				
	At beginning of year (or date of appointment)	At end of year	At beginning of year (or date of appointment)	Granted In year	Vested in year	Lapsed in year	At end of year
S M Bunn	3,351	1,088	-	-	-	-	-
D C Carter	9,087	9,807	-	-	-	-	-
M C Flynn	7,634	9,927	-	-	-	-	-
R J Joy	44,430	44,481	26,323	-	-	-	26,323
R Rajagopal	912	3,810	-	-	-	-	-

The directors were granted conditional rights to receive ordinary shares or, exceptionally, a cash sum under certain long term incentive plans. The conditional rights to ordinary shares are subject to share performance criteria of Diageo plc ordinary shares. The numbers disclosed in the above table represent the maximum number of conditional rights. Full details of the performance criteria are disclosed in the annual report of the ultimate holding company, Diageo plc.

(ii) Options

	At beginning of year (or date of appointment)	Granted in year	Exercised in year	At end of year
S M Bunn	30,743	15,959	(383)	46,319
D C Carter	68,813	832	-	69,645
M C Flynn	11,853	5,247	(1,510)	15,590
R J Joy	241,263 (22,248 ADS and 152,271 ord. Shares)	-	-	241,263 (22,248 ADS and 152,271 ord. Shares)
R Rajagopal	97,459	28,011	(4,754)	120,716

The directors held the above options under Diageo plc share option schemes at prices between 429p and 759p per ordinary share exercisable between 2004 and 2013. US grants were at prices between US\$25.21 and US\$29.38 per ADS. US options were granted over ADSs at dollar prices (one ADS is equivalent to four ordinary shares). The options are granted at market value on the date the option is granted and the option price is payable when the option is exercised.

DIRECTORS' REPORT (continued)

Directors' interests (continued)

Options granted under one of the schemes, the Senior Executive Share Option Plan ('SESOP'), may not normally be exercised unless a performance condition is satisfied. The performance condition applicable to grants of options under the SESOP is linked to the increase in earnings per share and is initially applied over the three year period commencing on the date the options are granted. Full details of the performance condition are disclosed in the annual report of the ultimate holding company, Diageo plc.

Options granted for R J Joy are principally options granted under the SESOP, which are subject to performance conditions as detailed above.

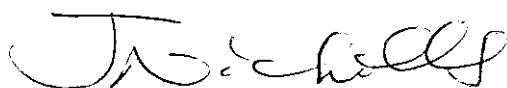
The mid-market share price of Diageo plc shares fluctuated between 625p and 780p during the year. The mid-market share price on 30 June 2004 was 744p.

At 30 June 2004, all the directors had an interest in 21,109,889 shares and 7,710,285 shares subject to call options held by trusts to satisfy grants made under Diageo incentive plans and savings related share option schemes. In addition, R J Joy had a further interest in 6,245,249 shares held by a trust to satisfy grants made under Diageo incentive plans and savings related share option schemes. Also on that date, D C Carter had an additional interest in 185,611 shares and 460,848 shares subject to call options, and R J Joy had an additional interest in 200,139 shares and 908,428 shares subject to call options, held by trusts to satisfy grants made under ex-Grandmet incentive plans.

Auditor

The company has taken advantage of section 386(1) of the Companies Act 1985, as amended, to dispense with the obligation to appoint an auditor annually. The auditor, KPMG Audit Plc, is willing to continue in office and will be deemed to be re-appointed on the expiry of its term in office in respect of the year ended 30 June 2004.

By order of the board



J Nicholls
Secretary

8 Henrietta Place, London, W1G 0NB
8 February 2005

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RELATION TO THE FINANCIAL STATEMENTS**

The following statement, which should be read in conjunction with the independent auditor's report on page 5, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditor in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss for the financial year.

The directors, in preparing these financial statements, consider that the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, that all applicable accounting standards have been followed, and that it is appropriate to prepare the financial statements on a going concern basis.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps that 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 GRAND METROPOLITAN ESTATES LIMITED**

We have audited the financial statements on pages 6 to 20.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditor, are established in the United Kingdom 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 Act 1985. 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 the company's affairs as at 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG And. + PL

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

10 February 2005

PROFIT AND LOSS ACCOUNT

	Notes	Year ended 30 June 2004	Year ended 30 June 2003
		£000	£000
Turnover	2	6,759	7,817
Operating costs including exceptional credits of £7,104,000 (2003 - £3,047,000)	3	(382)	(6,513)
Operating profit		<u>6,377</u>	<u>1,304</u>
Loss on disposal of fixed assets	6	(75)	-
Interest receivable	7	<u>19,463</u>	<u>16,457</u>
Profit on ordinary activities before taxation	2	25,765	17,761
Tax on profit on ordinary activities	8	<u>(6,665)</u>	<u>(2,715)</u>
Transferred to reserves	16	<u>19,100</u>	<u>15,046</u>

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.

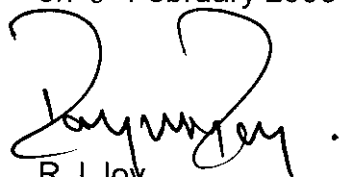
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Year ended 30 June 2004 £000	Year ended 30 June 2003 £000
Profit for the financial year	19,100	15,046
Total recognised gains for the financial year	19,100	15,046
Prior year adjustments (as explained in note 1): Adoption of FRS 17	-	(3,247)
Total recognised gains and losses since the last financial statements	19,100	11,799

BALANCE SHEET

	Notes	30 June 2004		30 June 2003 (as restated)	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	9		8,009		8,117
Investments	10		<u>-</u>		<u>680</u>
			8,009		8,797
Current assets					
Debtors - due within one year	11	432,395		422,633	
Cash at bank and in hand	12	<u>27,910</u>		<u>24,058</u>	
		460,305		446,691	
Creditors - due within one year					
Other creditors	13	<u>(338,194)</u>		<u>(336,938)</u>	
Net current assets			122,111		109,753
Total assets less current liabilities			<u>130,120</u>		<u>118,550</u>
Provisions for liabilities and charges	14		<u>(15,938)</u>		<u>(23,468)</u>
			<u>114,182</u>		<u>95,082</u>
Capital and reserves					
Called up share capital	15		2		2
Other reserve	16	41		41	
Profit and loss account	16	<u>114,139</u>		<u>95,039</u>	
Reserves attributable to equity shareholders			114,180		95,080
Total shareholders' funds			<u>114,182</u>		<u>95,082</u>

These financial statements on pages 6 to 20 were approved by the board of directors on 8 February 2005 and signed on its behalf by:


R J Joy
Director

NOTES TO THE FINANCIAL STATEMENTS

1. 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 under the historical cost convention and in accordance with applicable UK accounting standards.

The company is a wholly owned subsidiary of Diageo plc and is included in the consolidated financial statements of Diageo plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (Revised 1996).

The company is exempt under the terms of Financial Reporting Standard No 8 from disclosing related party transactions (but not balances) with entities that are part of the Diageo plc group ("group undertakings") or investees of the Diageo plc group.

The company is exempt from the requirement to prepare group accounts under section 228 of the Companies Act 1985 as its results are included in the published consolidated financial statements of Diageo plc.

New UK GAAP accounting policies

The company has adopted the reporting requirements of FRS 17 - Retirement benefits in its financial statements from 1 July 2003.

In the primary financial statements and all relevant notes to the financial statements the comparative information has been restated as appropriate.

FRS 17 - Retirement benefits. This standard replaces the use of the actuarial values for assessing pension costs in favour of a market-based approach. In order to cope with the volatility inherent in this measurement basis, the standard requires that the profit and loss account shows the relatively stable ongoing service cost, the expected return on assets and the interest on the liabilities. Differences between expected and actual returns on assets, and the impact on the liabilities of changes in the assumptions, are reflected in the statement of total recognised gains and losses.

The adoption of FRS 17 has reduced debtors by £4,638,000 and provisions by £1,391,000. In aggregate the adoption of FRS 17 has reduced shareholders' funds at 30 June 2003 by £3,247,000.

NOTES TO THE FINANCIAL STATEMENTS (continued)

The company has been a member of the group pension scheme and no contributions have been paid in either year in relation to its employees. The company has no employees at the year end and does not expect future liabilities, if any, relating to its former employees to be borne by the company.

Tangible fixed assets

Fixed assets are stated at cost less depreciation.

Freehold land is not depreciated. Leaseholds are depreciated over the unexpired period of the lease.

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

Income from fixed asset investments, is credited to the profit and loss account when it is declared by the paying company. 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.

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. 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.

The company has adopted Urgent Issues Task Force Abstract 28 (UITF 28), 'Operating lease incentives' in these accounts.

Deferred taxation

Full provision for deferred tax is made for timing differences between the recognition of gains and losses in the financial statements and their recognition in tax computations using current tax rates. The company does not discount these balances.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Pensions and other post employment benefits

The employees of the company are members of the Diageo UK pension plan. With effect from 1 July 2003, the Diageo group has adopted FRS 17 – *Retirement Benefits* in its consolidated financial statements.

FRS 17 replaces the use of actuarial values for assessing pension costs in favour of a market-based approach. In order to cope with the volatility inherent in this measurement basis, the standard requires that the profit and loss account shows the relatively stable ongoing service cost, the expected return on assets and the interest on the liabilities. Differences between expected and actual return on assets and the impact on the liabilities of changes in assumptions, are reflected in the statements of total recognised gains and losses.

It is not possible to allocate the assets and liabilities of the pension plan between individual companies and therefore the company accounts for it as a defined contribution scheme. The assets and liabilities of the Diageo UK pension plan 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.

2. Analysis of turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation are attributable to one class of business, that of property management, all of which is carried out in the United Kingdom.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Operating costs

	<u>Year ended 30 June 2004</u>	<u>Year ended 30 June 2003</u>
	£000	£000
Operating lease rentals (a)	555	4,582
Staff costs (note 4)	-	403
Depreciation of tangible fixed assets	33	33
Writedown of leasehold property	-	35
Other operating costs / (credits)	<u>(206)</u>	<u>1,460</u>
	<u>382</u>	<u>6,513</u>

(a) All operating lease rentals are in respect of properties. Exceptional credits of £7,104,000 (2003 - £3,047,000) are included in operating lease rentals for the year ended 30 June 2004. The credits represent the partial release of the provision for the estimated discounted rental shortfall in respect of vacant properties (note 14).

The auditor's remuneration was paid on behalf of the company by a fellow group undertaking. There were no fees payable to the auditor in respect of non-audit services (2003 - £nil).

4. Staff costs

The average number of employees during the year was:

	<u>Year ended 30 June 2004</u>	<u>Year ended 30 June 2003</u>
Full time	<u>-</u>	<u>4</u>

The average number of employees during the year, analysed by category, was as follows:

	<u>Year ended 30 June 2004</u>	<u>Year ended 30 June 2003</u>
Administration	<u>-</u>	<u>4</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Staff costs (continued)

The aggregate remuneration of all employees comprised:

	<u>Year ended 30 June 2004</u>	<u>Year ended 30 June 2003</u>
	£000	£000
Wages and salaries	-	363
Employer's social security costs	<u>-</u>	<u>40</u>
	<u>-</u>	<u>403</u>

5. Directors' emoluments

	<u>Year ended 30 June 2004</u>	<u>Year ended 30 June 2003</u>
	£000	£000
Emoluments (excluding pension contributions)	<u>-</u>	<u>156</u>

All of the directors are members of the Diageo UK pension fund which is a defined benefit scheme.

Details of the directors' share interests and any share options exercised during the year are included in the directors' report on pages 1 to 3.

6. Disposal of fixed assets

	<u>Year ended 30 June 2004</u>	<u>Year ended 30 June 2003</u>
	£000	£000
Loss on sale of leasehold assets	<u>75</u>	<u>-</u>

The tax charge on these items in 2004 amounted to £nil (2003 - £nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Interest receivable (net)

	Year ended 30 June 2004 £000	Year ended 30 June 2003 £000
On cash at bank	1,286	1,162
Loans to group undertakings	<u>19,345</u>	<u>16,633</u>
	20,631	17,795
Less: Interest charge on vacant property provision	<u>(1,168)</u>	<u>(1,338)</u>
	<u>19,463</u>	<u>16,457</u>

8. Taxation

	Year ended 30 June 2004 £000	Year ended 30 June 2003 £000
(i) Analysis of taxation charge for the year		
Current tax		
Payment for group relief received	(7,729)	-
UK corporation tax at 30% (2003: 30%)	-	-
Adjustment in respect of prior years	<u>-</u>	<u>-</u>
	(7,729)	-
Deferred tax		
UK	(172)	20
Adjustment in respect of prior years	<u>1,236</u>	<u>(2,735)</u>
	<u>1,064</u>	<u>(2,715)</u>
Taxation charge for the year	<u>(6,665)</u>	<u>(2,715)</u>

	Year ended 30 June 2004 £000	Year ended 30 June 2003 £000
(ii) Factors affecting current tax charge for the year		
Profit on ordinary activities before taxation	<u>25,765</u>	<u>17,761</u>
Taxation charge on profits on ordinary activities at UK corporation tax rate of 30% (2003 – 30%)	(7,730)	(5,328)
Group relief received for nil consideration	-	5,546
Depreciation in excess of capital allowances	50	(20)
Items not chargeable for tax purposes	<u>(49)</u>	<u>(198)</u>
Total current tax charge for the year	<u>(7,729)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Fixed tangible assets

	<u>Land and buildings</u> £000
Cost:	
At 30 June 2003	10,211
Additions	-
Disposal	<u>(186)</u>
At 30 June 2004	<u>10,025</u>
Depreciation:	
At 30 June 2003	2,094
Provided during the year	33
Disposals	<u>(111)</u>
At 30 June 2004	<u>2,016</u>
Net book value:	
At 30 June 2004	<u>8,009</u>
At 30 June 2003	<u>8,117</u>

The net book value of land and buildings comprises:

	<u>Year ended 30 June 2004</u> £000	<u>Year ended 30 June 2003</u> £000
Freehold	7,336	7,336
Long leasehold	588	588
Short leasehold	<u>85</u>	<u>193</u>
	<u>8,009</u>	<u>8,117</u>

Included in the net book value of freehold properties is £7,336,000 (2003: £7,336,000) in respect of land on which no depreciation is charged.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Fixed assets - investments

	Subsidiary Undertakings £000
Cost	
At 30 June 2003 and 30 June 2004	<u>680</u>
Provisions	
At 30 June 2003	-
Impairment charge	<u>(680)</u>
At 30 June 2004	<u>(680)</u>
Net book value	
At 30 June 2004	-
At 30 June 2003	<u>680</u>

The principal subsidiary and associated undertakings and the percentage of equity owned are as follows:

<u>Subsidiary undertakings</u>	<u>Country of incorporation</u>	<u>Principal activity</u>	<u>Class and percentage of shares held</u>
Grand Metropolitan Estate Holdings Limited	United Kingdom	Investment holding company	100 % ordinary shares
Grand Metropolitan Estates (Developments) Limited	United Kingdom	Property development	100 % ordinary shares
Grand Metropolitan Gibraltar Limited	Gibraltar	Non Trading	100 % ordinary shares
GMEI Property Management Limited	United Kingdom	Dormant	100 % ordinary shares
Grand Metropolitan Estates Property Management Services Limited	United Kingdom	Dormant	100 % ordinary shares

Associated undertakings

Trafalgar Metropolitan Homes Limited	United Kingdom	Property development	50 % ordinary shares
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In the opinion of the directors, the investment in and amounts due from the company's subsidiary undertakings are worth at least the amount at which they are stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Debtors

	<u>30 June 2004</u> £000	<u>30 June 2003</u> £000
Trade debtors	1,776	2,692
Amounts owed by fellow group undertakings	421,049	411,372
Other debtors	1,356	325
Other prepayments and accrued income	4,433	4,463
Corporation tax recoverable	<u>3,781</u>	<u>3,781</u>
	<u>432,395</u>	<u>422,633</u>

All amounts fall due within one year.

12. Cash at bank and in hand

The company has entered into a joint and several guarantee with certain other Diageo plc 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.

13. Other creditors – due within one year

	<u>30 June 2004</u> £000	<u>30 June 2003</u> £000
Amounts owed to fellow group undertakings	332,562	331,004
Other creditors	1,033	1,208
Accruals and deferred income	4,599	4,726
	<u>338,194</u>	<u>336,938</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Provisions for liabilities and charges

	Deferred taxation £000	Disposal provisions £000	Other provisions £000	Total provisions £000
At 30 June 2003	2,088	748	22,023	24,859
Prior year adjustment	<u>(1,391)</u>	-	-	<u>(1,391)</u>
At beginning of year as restated	697	748	22,023	23,468
Utilised	-	(232)	(94)	(326)
Profit and loss account charge	<u>(1,064)</u>	-	<u>(6,140)</u>	<u>(7,204)</u>
At 30 June 2004	<u><u>(367)</u></u>	<u><u>516</u></u>	<u><u>15,789</u></u>	<u><u>15,938</u></u>

Other provisions include £14,957,000 (2003 - £20,992,000) for the estimated discounted rental shortfall in respect of vacant properties.

The elements of deferred taxation are as follows:

	<u>30 June 2004</u>	<u>30 June 2003</u>
	£000	<u>(as restated)</u>
		£000
Accelerated capital allowances	149	(1,041)
Other timing differences	<u>218</u>	<u>344</u>
	<u><u>367</u></u>	<u><u>(697)</u></u>

15. Share capital

	<u>30 June 2004</u>	<u>30 June 2003</u>
	£000	£000
Authorised, allotted, called up and fully paid		
Equity - 1,200 ordinary shares of £1 each	1	1
Non-equity - 1,200 7 % cumulative preference shares of £1 each	1	1
	<u><u>2</u></u>	<u><u>2</u></u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Reserves

	<u>Other reserve</u> £000	<u>Profit and loss account</u> £000	<u>Total</u> £000
At 30 June 2003	41	98,286	98,327
Prior year adjustment:			
Adoption of FRS 17	-	(3,247)	(3,247)
At 30 June 2003 as restated	41	95,039	95,080
Retained profit for year	-	19,100	19,100
At 30 June 2004	<u>41</u>	<u>114,139</u>	<u>114,180</u>

17. Reconciliation of movement in shareholders funds

	<u>30 June 2004</u> £000	<u>30 June 2003</u> £000
Opening shareholders' funds as previously reported	95,082	83,283
Prior year adjustment (as explained in note 1)	-	(3,247)
As restated:	95,082	80,036
 Profit for the financial year	 19,100	 15,046
Closing shareholders' funds	<u>114,182</u>	<u>95,082</u>

18. Commitments

At 30 June 2004 the company had minimum annual commitments under non-cancellable operating leases as follows:

	<u>30 June 2004</u> Land and buildings £000	<u>30 June 2003</u> Land and buildings £000
<i>Operating leases which expire:</i>		
After five years	5,495	5,604
From one to five years	1,968	1,866
Within one year	<u>156</u>	<u>453</u>
	<u>7,619</u>	<u>7,923</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Immediate and ultimate parent undertaking

The immediate parent undertaking of the company is Grand Metropolitan Public Limited Company, a company incorporated and registered in England.

The 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 8 Henrietta Place, London W1G 0NB.