

# **Diageo Eire Finance & Co**

## **Financial statements 30 June 2012**

Registered number 5045670



## **Directors' report**

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 30 June 2012

### **Activities**

The company acts as a financing vehicle for the Diageo group. The results of the company and the development of its business are, therefore, influenced to a considerable extent by group financing requirements.

The share capital as well as the principal transactions undertaken by the company are denominated in Euro and accordingly the company has a Euro functional currency. The company's operations are based in the United Kingdom.

### **Going concern**

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 2012 are shown on page 5.

The directors do not recommend the payment of a dividend (2011 - €nil).

### **Directors**

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

S Bolton	(resigned 2 February 2012)
J A I Franco	(resigned 2 February 2012)
G Geiszl	
D Heginbottom	
J J Nicholls	
M Pais	
A M Smith	(resigned 2 February 2012)
P D Tunncliffe	

### **Directors' remuneration**

None of the directors received any remuneration during the year in respect of their services as directors of the company (2011 - €nil).

### **Secretary**

On 2 February 2012, J J Nicholls resigned as secretary of the company and C E Kynaston was appointed in his place.

**Directors' report (continued)**


**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor, KPMG Audit Plc, is deemed to be reappointed and will continue in office

**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



M Pais  
*Director*

Lakeside Drive  
Park Royal  
London  
NW10 7HQ

6 December 2012

**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.

## **Independent auditor's report to the members of Diageo Eire Finance & Co**

We have audited the financial statements of Diageo Eire Finance & Co for the year ended 30 June 2012 set out on pages 5 to 11. 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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **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 2012 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.

### **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.



**Lee Edwards (Senior Statutory Auditor)**  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants

15 Canada Square  
London E14 5GL

13 December 2012

**Profit and loss account**

	<i>Notes</i>	<b>Year ended 30 June 2012 €'000</b>	<b>Year ended 30 June 2011 €'000</b>
Net interest payable	4	-	(1)
<b>Profit/(Loss) on ordinary activities before taxation</b>	<i>1,2,3</i>	-	(1)
Taxation on loss on ordinary activities	5	-	-
<b>Profit/(Loss) for the financial year</b>		-	(1)

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

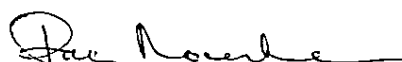
The accounting policies and other notes on pages 7 to 11 form part of the financial statements

**Balance sheet**

	<i>Notes</i>	<b>€'000</b>	<b>30 June 2012 €'000</b>	<b>30 June 2011 €'000</b>
<b>Current assets</b>				
Debtors due within one year	6	1,068,611	702,692	
Cash at bank and in hand		6	6	
		<u>1,068,617</u>	<u>702,698</u>	
<b>Creditors: due within one year</b>	7	<u>(396,791)</u>	<u>(355,192)</u>	
<b>Net assets</b>			<u>671,826</u>	<u>347,506</u>
<b>Capital and reserves</b>				
Called up share capital	8		8	4
Share premium account	9	671,812	347,496	
Profit and loss account	9	<u>6</u>	<u>6</u>	
			<u>671,818</u>	<u>347,502</u>
<b>Shareholders' funds</b>	10		<u>671,826</u>	<u>347,506</u>

The accounting policies and other notes on pages 7 to 11 form part of the financial statements

These financial statements on pages 5 to 11 were approved by the board of directors on 6 December 2012 and were signed on its behalf by



M Pais  
*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 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 wholly owned by a member of the Diageo plc group ("group undertakings")

The company is exempt from the requirement to prepare consolidated accounts under section 400 of the Companies Act 2006 as its results are included in the published consolidated financial statements of Diageo plc. These financial statements present information about the company as an individual undertaking and not about its group.

### **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 in foreign currencies are translated into euro at the financial year end exchange rates, or if hedged forward, at the rate of exchange under the related foreign currency contract.

All exchange gains and losses are taken to the profit and loss account.

### **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. Any interest or penalties on tax liabilities are provided in the tax charge.



**Notes to the financial statements**

**1. Operating costs**

The auditor's remuneration was paid on behalf of the company by a fellow group undertaking Fees in respect of services provided by the auditor were Statutory audit - €5,350 (2011 - €5,920).

**2. Staff costs**

The company did not employ any staff during either the current or prior year

**3. Directors' remuneration**

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2011 - €nil)

**4. Net interest payable**

	Year ended 30 June 2012 €'000	Year ended 30 June 2011 €'000
Other interest payable	-	1

**5. Taxation**

	Year ended 30 June 2012 €'000	Year ended 30 June 2011 €'000
<b>Factors affecting current tax (charge)/credit for the year</b>		
Profit/(Loss) on ordinary activities before taxation	-	(1)
Taxation on profit/loss on ordinary activities at UK corporation tax rate of 25.5% (2011 - 27.5%)	-	-
Current ordinary tax (charge)/credit for the year	-	-

**Notes to the financial statements (continued)**

**6. Debtors: due within one year**

	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>€'000</b>	<b>€'000</b>
Amounts owed by fellow group undertakings		
Diageo Finance plc	671,820	347,500
Anyslam Ltd	396,791	355,192
	<hr/>	<hr/>
	1,068,611	702,692
	<hr/>	<hr/>

Amounts owed by fellow group undertakings represent transactions with companies in the Diageo group with which the company has a long term financing relationship. These financing relationships are expected to continue for the foreseeable future. For the purposes of financial statement classification, amounts owed by group undertakings that do not have a specified repayment date are regarded as short term and consequently are considered to have a fair value which is not materially different to the book value.

The amounts are all unsecured, interest free, and repayable on demand.

**7. Creditors: due within one year**

	<b>30 June 2012</b>	<b>30 June 2011</b>
	<b>€'000</b>	<b>€'000</b>
Amounts owed to fellow group undertakings		
Diageo Finance plc	396,791	355,192
	<hr/>	<hr/>

Amounts owed to fellow group undertakings represent transactions with companies in the Diageo group with which the company has a long term financing relationship. For the purposes of financial statement classification, amounts owed to group undertakings that do not have a specified repayment date are regarded as short term and consequently are considered to have a fair value, which is not materially different to the book value.

The amounts are all unsecured, interest free, and repayable on demand.

## Notes to the financial statements (continued)

### 8. Share capital

	30 June 2012 €'000	30 June 2011 €'000
<i>Allotted, called up and fully paid:</i>		
10,000 A ordinary shares of €0 10 each	1	1
67,082 B ordinary shares of €0 10 each	7	3
	<hr/>	<hr/>
	8	4
	<hr/>	<hr/>

Due to two separate restructuring projects during the year, the total amount of issued share capital of the company increased by €3,243. On 16 February, Diageo Eire Finance & Co issued 15,411 Class B ordinary shares of €0 10 each to Diageo Ireland, at a premium of €9,999 90 per share. On 13 June, under a separate project, the company issued 4,863 Class B ordinary shares of €0 10 each to R&A Bailey & Co at a premium of €9,999 90 per share and 12,158 Class B ordinary shares of €0.10 each to Diageo Ireland at a premium of €9,999 90 per share.

### 9. Reserves

	Share premium account €'000	Profit and loss account €'000	Total €'000
At 30 June 2011	347,496	6	347,502
Premium on ordinary shares issued	324,316	-	324,316
	<hr/>	<hr/>	<hr/>
At 30 June 2012	671,812	6	671,818
	<hr/>	<hr/>	<hr/>

The total amount of share premium increased by €324,316,000 during the year on account of two restructuring projects. On 16 February, Diageo Eire Finance & Co issued 15,411 Class B ordinary shares at a premium of €9,999 90 per share to Diageo Ireland. On 13 June, under a separate project, Diageo Eire Finance & Co issued 4,863 Class B ordinary shares at a premium of €9,999 90 per share to R&A Bailey & Co and under the same project Diageo Eire Finance & Co issued 12,158 Class B ordinary shares at a premium of €9,999 90 per share to Diageo Ireland.

**Notes to the financial statements (continued)**

**10. Reconciliation of movement in shareholders' funds**

	30 June 2012 €'000	30 June 2011 €'000
Loss for the financial year	-	(1)
Net proceeds of issue of ordinary share capital	324,320	-
	<hr/>	<hr/>
<b>Net addition to/(reduction in) shareholders' funds</b>	324,320	(1)
Shareholders' funds at the beginning of the year	347,506	347,507
	<hr/>	<hr/>
<b>Shareholders' funds at the end of the year</b>	671,826	347,506
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**11. Immediate and ultimate parent undertaking**

The immediate parent undertaking of the company is R&A Bailey & Co, a company incorporated and registered in Ireland

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 Lakeside Drive, Park Royal, London NW10 7HQ