

# **Diageo Eire Finance & Co**

## **Financial statements 30 June 2010**

Registered number 5045670

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## **Directors' report**

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 30 June 2010

### **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 2010 are shown on page 5. The loss for the year transferred from reserves is €1,000 (2009 - €1,000).

The directors do not recommend the payment of a dividend (2009 - €nil).

### **Directors**

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

A A Abigail	(resigned 1 October 2009)
C D Coase	
G P Crickmore	(resigned 1 October 2009)
D A Mahlan	
A O M Manz	
S C Moore	
M Pais	
A M Smith	
P D Tunnacliffe	

A O M Manz resigned as a director of the company on 1 September 2010. G Geiszl and D Heginbottom were appointed as directors of the company on 9 September 2010.

### **Directors' remuneration**

None of the directors received any remuneration during the year in respect of their services as directors of the company (2009 - €nil).

**Directors' report (continued)**

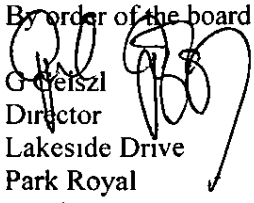
**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor, KPMG Audit Plc, is willing to continue in office and will be deemed to be reappointed on the expiry of its term in office in respect of the year ended 30 June 2010.

**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

  
G. Gelszi  
Director  
Lakeside Drive  
Park Royal  
London  
NW10 7HQ  
8 December 2010

**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 2010 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 Statement of Directors' Responsibilities 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 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 web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **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 2010 and of the loss 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.

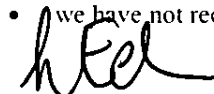
### **Opinion on other matters prescribed by the Companies Act 2006**

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
- 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**  
KPMG Audit Plc  
15 Canada Square London  
E14 5GL

8 December 2010

**Profit and loss account**

	<i>Notes</i>	<b>Year ended 30 June 2010 €'000</b>	<b>Year ended 30 June 2009 €'000</b>
Interest expense	4	(1)	(1)
<b>Loss on ordinary activities before taxation</b>	1, 2, 3	(1)	(1)
Taxation on loss on ordinary activities	5	-	-
<b>Loss for the financial year</b>		(1)	(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

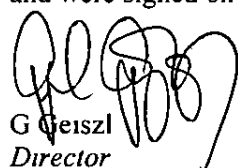
There is no difference between the results for the years shown in the profit and loss account and the results for the relevant years restated on an historical cost basis

All results arise from continuing operations

**Balance sheet**

	<i>Notes</i>	<b>€'000</b>	<b>30 June 2010</b> <b>€'000</b>	<b>30 June 2009</b> <b>€'000</b>
<b>Current assets</b>				
Debtors due within one year	6	390,391		1,000
Cash at bank and in hand		7		8
		<u>390,398</u>		<u>1,008</u>
<b>Creditors: due within one year</b>	7	<u>(42,891)</u>		<u>-</u>
<b>Net assets</b>			<u>347,507</u>	<u>1,008</u>
<b>Capital and reserves</b>				
Called up share capital	8		4	1
Share premium account	9		347,496	999
Profit and loss account	9		7	8
<b>Shareholders' funds</b>	10		<u>347,507</u>	<u>1,008</u>

These financial statements on pages 5 to 11 were approved by the board of directors on 8 December 2010 and were signed on its behalf by

  
G Geiszl  
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 part of the Diageo group ("group undertakings") or investees of the Diageo plc group. The consolidated financial statements of Diageo plc, within which this Company is included, can be obtained from the address given in note 11

### **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 - €5,920 (2009 - €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 (2009 - €nil)

**4. Interest expense**

	<b>Year ended 30 June 2010 €'000</b>	<b>Year ended 30 June 2009 €'000</b>
Foreign exchange loss	-	1
Other interest	1	-
	<u>1</u>	<u>1</u>

**5. Taxation**

	<b>Year ended 30 June 2010 €'000</b>	<b>Year ended 30 June 2009 €'000</b>
<b>Factors affecting current tax credit for the year</b>		
Loss on ordinary activities before taxation	(1)	(1)
	<u></u>	<u></u>
Taxation on loss on ordinary activities at UK corporation tax rate of 28% (2009 - 28%)	-	-
Group relief surrendered for nil consideration	-	-
	<u></u>	<u></u>
Current ordinary tax credit for the year	-	-

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

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

	<b>30 June 2010</b>	<b>30 June 2009</b>
	<b>€'000</b>	<b>€'000</b>
Amounts owed by fellow group undertakings		
Anyslam Limited	390,391	795
Diageo Finance plc	-	205
	<hr/>	<hr/>
	390,391	1,000
	<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 interest free.

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

	<b>30 June 2010</b>	<b>30 June 2009</b>
	<b>€'000</b>	<b>€'000</b>
Amounts owed to fellow group undertakings		
Diageo Finance plc	42,891	-
	<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 interest free.

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

**8. Share capital**

	<b>30 June 2010</b>	<b>30 June 2009</b>
	<b>€'000</b>	<b>€'000</b>
<i>Allotted, called up and fully paid:</i>		
10,000 A ordinary shares of €0 10 each	1	1
34,650 B ordinary shares of €0 10 each	3	-
	<hr/>	<hr/>
	4	1
	<hr/>	<hr/>

On 30 September 2009 R&A Bailey & Co (trading as Diageo Finance Ireland) invested in a subscription for 34,650 B ordinary shares in the company

**9. Reserves**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
At 30 June 2009	1	999	8	1,008
Share issuance	3	346,497	-	346,500
Loss for the year	-	-	(1)	(1)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2010	4	347,496	7	347,507
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**Notes to the financial statements (continued)**

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

	<b>30 June 2010</b>	<b>30 June 2009</b>
	<b>€'000</b>	<b>€'000</b>
Loss on ordinary activities after taxation	(1)	(1)
Share issuance	346,500	-
<b>Net addition in shareholders' funds</b>	<b>346,499</b>	<b>(1)</b>
Shareholders' funds at the beginning of the year	1,008	1,009
<b>Shareholders' funds at the end of the year</b>	<b>347,507</b>	<b>1,008</b>

**11. Immediate and ultimate parent undertaking**

The immediate parent undertakings of the company are DEF Investments Limited, a company incorporated and registered in England, and R&A Baileys (trading as Diageo Finance Ireland), a company incorporated and registered in Ireland, holding 10,000 ordinary A and 34,650 ordinary B shares of the company respectively

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