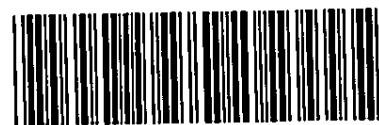


Grand Metropolitan Capital Company Limited

**Financial statements
30 June 2011**

Registered number 3249862

THURSDAY



A00PZ3C8

A10

22/12/2011

#166

COMPANIES HOUSE

Directors' report

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 30 June 2011

Activities

The company is an investment holding company. The directors foresee no material changes in the nature of the company's activities.

Financial

The results for the year ended 30 June 2011 are shown on page 5. The profit for the year transferred to reserves is £1,801,000 (2010 - £1,359,000).

A dividend of £3,000,000 was approved and paid during the year (2010 – £17,000,000).

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 with the support from the group undertakings. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

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

S J Bolton	(appointed 01 April 2011)
C D Coase	(resigned 31 March 2011)
J A I Franco	(appointed 24 March 2011)
G Geiszl	(appointed 09 September 2010)
D Heginbottom	(appointed 09 September 2010)
D A Mahlan	(resigned 13 December 2010)
A O M Manz	(resigned 01 September 2010)
S C Moore	(resigned 24 March 2011)
J J Nicholls	(appointed 24 March 2011)
M Pais	
A M Smith	
P D Tunnacliffe	

Directors' remuneration

None of the directors received any remuneration during the year in respect of their services as directors of the company (2010 - £nil).

Directors' report (continued)

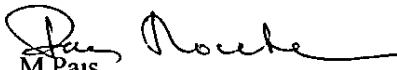
Auditor

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 2011

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

15 December 2011

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 Grand Metropolitan Capital Company Limited

We have audited the financial statements of Grand Metropolitan Capital Company Limited for the year ended 30 June 2011 set out on pages 5 to 10. 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 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

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 2011 and of its profit/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

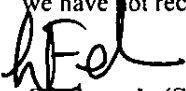
Opinion on other matter prescribed by the Companies Act 2006

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 S Edwards (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

15 December 2011

Profit and loss account

	<i>Note</i>	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Interest receivable from fellow group undertakings		1,801	1,359
Profit on ordinary activities before taxation		<u>1,801</u>	<u>1,359</u>
Taxation on profit on ordinary activities	4	-	-
Profit for the financial year		<u><u>1,801</u></u>	<u><u>1,359</u></u>

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>	30 June 2011		30 June 2010	
		£'000	£'000	£'000	£'000
Fixed assets					
Investments	6		2,561,500		2,561,500
Current assets					
Debtors due within one year	7	445,876		447,076	
Net current assets			445,876		447,076
Net assets			3,007,376		3,008,576
Capital and reserves					
Called up share capital	9		3,005,000		3,005,000
Profit and loss account	10		2,376		3,576
Shareholders' funds	11		3,007,376		3,008,576

These financial statements on pages 5 to 10 were approved by the board of directors on 15 December 2011 and were signed on its behalf by


M Pais
Director

Grand Metropolitan Capital Company Limited

Registered number: 3249862

7

Year ended 30 June 2011

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 consolidated financial statements of Diageo plc, within which this Company is included, can be obtained from the address given in note 11

The company is exempt from the requirement to prepare group accounts under section 400 of the Companies Act 2006 as its results are included in the published consolidated financial statements of Diageo plc

Fixed asset investments

Income from fixed asset investments is credited to the profit and loss account when it is approved by the paying company. Investments are stated individually at cost less provision for impairment in value where such impairment is expected by the directors to be permanent

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 - £4,000 (2010 - £4,000)

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 (2010 - £nil)

4. Taxation

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Factors affecting current tax charge for the year		
Profit on ordinary activities before taxation	1,801	1,359
Taxation on profit on ordinary activities at UK corporation tax rate of 27.5% (2010 - 28%)	(495)	(381)
Group relief claimed for nil consideration	495	381
Current ordinary tax charge for the year	-	-

5. Dividends

	Year ended 30 June 2011 £'000	Year ended 30 June 2010 £'000
Equity shares Approved and Paid Dividend	3,000	17,000

Notes to the financial statements (continued)

6. Fixed assets - investments

	Subsidiary undertakings £'000
Cost and net book value	
At 30 June 2010 and 30 June 2011	2,561,500
	<hr/> <hr/>

The subsidiary undertaking and the percentage of equity owned are as follows

	Country of incorporation	Principal activity	Class and percentage of shares held
<i>Direct holding:</i>			
Subsidiary undertaking			
Grand Metropolitan (Cayman Islands) Limited	Cayman Islands	Dormant	100% of ordinary shares

The investment in subsidiary undertakings is held at cost less, where appropriate, provision for impairment in value

In the opinion of the directors, the investment in the company's subsidiary undertaking is worth at least the amount at which it is stated in the financial statements

7. Debtors: due within one year

	30 June 2011 £'000	30 June 2010 £'000
Amounts owed by fellow group undertakings		
Diageo Finance plc	445,876	447,076
	<hr/> <hr/>	<hr/> <hr/>

All amounts are at a floating rate of interest

Notes to the financial statements (continued)

8. Share capital

	30 June 2011 £'000	30 June 2010 £'000
<i>Allotted, called up and fully paid:</i>		
3,005,000,000 ordinary shares of £1 each	3,005,000	3,005,000

9. Reserves

	Profit and loss account £'000
At 30 June 2010	3,576
Profit for the year	1,801
Dividend approved and paid	(3,000)
At 30 June 2011	2,377

10. Reconciliation of movement in shareholders' funds

	30 June 2011 £'000	30 June 2010 £'000
Profit on ordinary activities after taxation	1,801	1,359
Net addition to shareholders' funds	1,801	1,359
Shareholders' funds at the beginning of the year	3,008,576	3,024,217
Ordinary dividends	(3,000)	(17,000)
Shareholders' funds at end of year	3,007,377	3,008,576

11. Immediate and ultimate parent undertaking

The immediate parent undertakings of the company are Grand Metropolitan Limited (83.4% shareholding) and Justerini & Brooks, Limited (16.6% shareholding), both companies 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 Lakeside Drive, Park Royal, London NW10 7HQ